

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

No. 29,826

PARIS, THURSDAY, JANUARY 4, 1979

Established 1887

3 Cities Claimed

Attackers Report Gain in Cambodia

BANGKOK, Jan. 3 (AP) — Vietnamese-backed Cambodian rebels claimed today to have seized two more northeastern province capitals, in addition to Kratie, and to have attacked another key city, striking within 45 miles of Phnom Penh.

The news agency of the rebel group, monitored here, said that its forces had taken Stung Treng on the Mekong River and Lomphat, the capital of two northeastern provinces. It said that rebels were visiting "liberated zones" in the northeast to encourage residents to greater efforts against the Phnom Penh regime.

Analysts here believe that Vietnamese forces are doing the fighting, and that the Cambodian rebels are mopping up behind them.

Urban Areas
The rebels also claimed that they had attacked Kompong Cham, a key Mekong River city and provincial capital 45 miles north of Phnom Penh.

Informed sources in Bangkok could confirm only the fall of Kratie, another northeastern provincial seat. Observers noted that Cambodia's cities were largely emptied of inhabitants after the 1975 Communist victory, and there is no indication that they have been significantly repopulated.

Bangkok sources reported widespread, intense air strikes by the

Vietnamese using both Soviet and captured U.S.-built planes. Cambodia has claimed that Soviet pilots are doing some of the flying and has said that a MiG was shot down on New Year's Day.

[At the United Nations, in New York, Cambodia asked today for an urgent meeting of the Security Council to debate charges of aggression by Vietnam.]

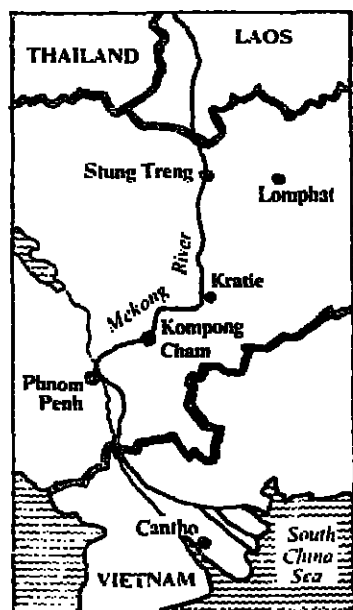
Vietnamese Are Seen Massing in 4 Provinces

By Henry Kamm

BANGKOK, Jan. 3 (NYT) — Western analysts predicted today that the pro-Vietnamese Cambodian Front formed last month under Vietnamese sponsorship would soon announce the formation of a government, probably based in Kratie, and declare northeastern Cambodia a "liberated zone."

While analysts lean in their judgment toward a likelihood that Vietnam will step up its Cambodian campaign, some believe that international or Chinese pressure may still stay its hand. They noted that China last week cut off rail traffic to Vietnam, depriving that country of its only overland route for imports and exports.

The analysts reported the fighting so far in this dry-season offensive to have been conducted almost exclusively by regular Vietnamese



forces, as Phnom Penh is reporting, with the pro-Vietnamese Cambodian forces playing no important role.

Vietnam has engaged considerable quantities of armor and heavy artillery, with more being readied in the areas where Vietnamese forces appear to be staging to open further offensives.

Three fronts — in addition to the drive on Kratie — on which the Vietnamese army was reported to be preparing for major offensives are in the area of Pleiku, in Vietnam's Central Highlands, bordering on Cambodia's northeasternmost province of Ratanakiri; Cantho, in the Mekong River delta, at Cambodia's southern border on the Gulf of Siam; and at the southern tip of the Laotian panhandle.

Analysts believe that a Vietnamese drive from Pleiku Province (Continued on Page 2, Col. 7)

Parliament Backs Bakhtiar As Iran's Civilian Premier

He Stresses End To Martial Law

By Thomas Kent

TEHRAN, Jan. 3 (AP) — Nominated by both houses of parliament, Premier-designate Shahpur Bakhtiar promised today that he would gradually dismantle martial law and indicated that the beleaguered shah would leave Iran temporarily after the new government takes power.

Speaking at a news conference after receiving the nomination as the new civilian premier, Mr. Bakhtiar said that Shah Mohammed Reza Pahlavi "wants to rest and take a vacation — that is the desire he has expressed himself."

Mr. Bakhtiar refused to be drawn into discussions of the shah's future role in Iran, saying only that if the shah leaves a regency council would be appointed to exercise royal authority. He emphasized his own plans for restoring Iran to civilian rule to replace the martial law regime installed two months ago to quell anti-shah rioting.

He said that questions about the shah's future were "extremely delicate" and that he hoped to restore "the legitimacy of the king" apparently a reference to his intention to limit the shah's powers.

Before he officially assumes power, Mr. Bakhtiar will have to present his proposed Cabinet ministers to the shah. If the shah approves them, as expected, both houses of parliament will convene to give Mr. Bakhtiar a vote of confidence, which officially installs the government.

Wait-and-See Stance

Only small demonstrations against the shah were reported today, as many opponents apparently took a wait-and-see attitude about what the new civilian government could do. The state radio said most of the demonstrations were peaceful.

The exodus of foreigners from the country continued, and a backlog built up by several days of strikes at the Tehran airport was clearing up. Hundreds left by scheduled, charter and government planes after the military took over operations at the airport yesterday. Two 75-seat Canadian Air Force transports arrived from Turkey today and began ferrying 550 Canadian and other foreigners from Tehran to Ankara. About 90 Canadian, British and American evacuees arrived in Ankara on the first flight.

Mr. Bakhtiar said that Iran would continue to sell oil to nations that need it but hedged when asked about Israel, which gets most of its fuel from Iran. He hinted that oil exports to Israel could be jeopardized because of the Jewish state's continuing dispute with other Muslim nations.

Surrounded by a throng of Iranian and foreign reporters and speaking alternately in French, Persian and English, the French-educated premier-designate also said:

• He believed his government would gradually win the support of the Iranian people.

• SAVAK, the shah's secret police force, would become an intelligence agency with less power.

• The new government would not submit "to any military authority, whatever it is" and that he did not think the army, loyal to the shah, would attempt to oust him. Political parties of all stripes would be allowed as long as they believe in "religion and Iran," he said.

• Iran would no longer be "the gendarmes" of the Gulf.

• Army units "will not stay on the streets for nothing" but future disorder will not be tolerated and persons arrested for murder, looting and other serious crimes during recent rioting will be prosecuted.

• Ayatollah Ruhollah Khomeini, the self-exiled leader of Iran's 32 million Shiite Muslims, is free to return "as soon as he can and wishes to." Ayatollah Khomeini, however, has sworn he will not return until the (Continued on Page 2, Col. 1)



REPERCUSSION IN CALIFORNIA — A sheriff's car plows through crowd of Iranian demonstrators outside the Beverly Hills home of the sister of the shah, Princess Shams. Story Page 2.

To Avoid 'Inflaming Situation'

Carter Halts Navy Convoy to Iran

By Bernard Gwertzman

WASHINGTON, Jan. 3 (NYT) — President Carter has decided against sending a carrier task force into Iranian waters, so as not to inflame further the situation in Iran, administration officials said yesterday.

A task force led by the Constellation had left the Philippines on Saturday to await possible orders to proceed toward the Indian Ocean and Gulf. Officials said that Mr. Carter had now ordered the ships to remain on station in the South China Sea and not head toward Iran, at least for the time being.

The decision was made after Mr. Carter conferred at the White House with Vice President Mondale, Secretary of State Cyrus Vance and Zbigniew Brzezinski, the national security adviser. The administration voiced hope that Shahpur Bakhtiar, named by Shah Mohammed Reza Pahlavi to form a civilian government, would succeed in the latest effort to restore order in Iran.

Taken by Surprise

Privately, however, State Department officials said that the shah's latest moves took the United States by surprise. They said that they had not known that the shah would ask Mr. Bakhtiar, a politician with a limited following, to become premier. They were even less prepared, they said, for the shah's reported willingness to leave Tehran if Mr. Bakhtiar is able to restore order.

The Iranian situation continued to dominate much of official concern in Washington, but officials repeatedly said that the United States was limited in what it could do. There was no backing down from the policy set in November of supporting the shah and expressing hope that he would be able to provide the country with a new government of national reconciliation in which he would remain monarch.

A senior official in the administration, who refused to be named, sought to calm fears that the suspension of Iranian crude oil production and export would cause immediate fuel shortages in the United States and other industrial countries.

The official told reporters at the State Department that a combination of increased production in Saudi Arabia and other oil-producing countries and large stocks stored around the world should see consumers through. He said that the situation was "serious" but "not immediately critical."

The task force led by the Constellation had been ordered by Mr. Carter to leave Subic Bay Naval Base, near Manila, on the recommendation of the State Department, the National Security Council staff and the Defense Department, reporters were told on Friday. Mr. Carter reserved decision on whether to allow the task force to go into the Straits of Malacca near Singapore, and enter the Indian Ocean on the long trip to the Gulf.

The initial decision was made, officials said then and repeated yesterday, for two reasons: To affirm to the Soviet Union U.S. concern about any Soviet military moves to take advantage of the turmoil in Iran.

(Complete tables for cost-of-living and hardship areas will run in the Insights section of the Jan. 13-14 editions of the International Herald Tribune.)

An IRS spokesman cautioned that these tables are for use in computing last year's taxes only. He added that while they could be used as a guide for determining this year's taxes, the tables for estimating this year's income are expected to be issued in the spring. He suggested that some taxpayers might want to ask their employers to increase the amount of taxes withheld, to avoid risking penalties for underestimating their tax liability this year.

Those who want to contest the IRS tables or other rulings must file for a hearing by March 16. Tax returns for income earned last year must be in by June 15.

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Iran, and to reassure U.S. friends in the area such as Saudi Arabia and Pakistan that the United States was concerned about the situation.

The initial press reports received widespread publicity and led to strong attacks in the Soviet press. The U.S. Embassy in Iran reported that the movement of the carrier task force was feeding the anti-U.S. campaign of the opposition to the shah.

U.S. Says Policy Unchanged
WASHINGTON, Jan. 3 (AP) — The Carter administration today denied reports that it has decided to advise the shah to leave.

State Department spokesman Hodding Carter 3d said there was no change in the administration's support for the shah. But he added that the shah would be welcome in the United States should he decide to leave Iran.

Administration officials, speaking privately, said there was growing sentiment within the foreign policy bureaucracy for changing American policy and encouraging the shah to leave his troubled country. But thus far, they added, President Carter has heeded the advice of pro-shah officials such as the national security adviser, Zbigniew Brzezinski.

These sources said the pro-shah faction within the administration now contends that any overt "dumping" of the shah would accomplish little and lay the administration open to more allegations that it callously abandons allies.

The faction favoring a new approach feels it is not too late to help engineer a settlement that would include the departure of the shah, at least temporarily, and the establishment of a government that would protect U.S. interests.

They favor establishing contact with the spiritual leader of the Iranian opposition, the Ayatollah Ruhollah Khomeini, the exiled religious leader now living outside Paris. However, the sources said, this faction does not have a high-level advocate within the administration.

Mr. Carter would not rule out, however, the possibility that some U.S. diplomats in Tehran have suggested that the shah ought to leave. He said the "policy of the United States government is not to ask for such an occurrence."

Summit Talks to Touch On Major Political Issues

By Joseph Fitchett

PARIS, Jan. 3 (IHT) — The four-leader summit in Guadeloupe tomorrow and Friday, originally presented as a relaxed and low-keyed get-together in the Caribbean, is shaping up as a timely opportunity for the West to concentrate on several major political issues.

The main aim, particularly President Carter's, remains consultation on Western strategy about nuclear arms balance between NATO and Warsaw Pact nations in the light of the nearly completed SALT-2 package and with an eye to possible SALT-3 negotiations. Those negotiations could involve Western Eu-

rope directly, diplomatic sources said.

European leaders, however, appear eager to discuss U.S. analysis of two issues that have become urgent since the summit was announced last month — the crisis in Iran and its impact on energy, and U.S. diplomatic ties with China and how they might complicate U.S.-Soviet relations.

On Iran in particular, West German and other European officials have expressed concern that the Carter administration is failing to take seriously enough the potential (Continued on Page 2, Col. 5)

Political Motives Are Hinted

Haig to Quit NATO Job, Army

By Paul Lewis

MONS, Belgium, Jan. 3 (NYT) — Gen. Alexander Haig Jr., 54, who served as former President Richard Nixon's White House chief of staff during the closing stages of the Watergate scandal, said today that he is resigning as supreme allied commander, Europe, and retiring from the Army June 30.

Gen. Haig said at SHAPE here that he originally wanted to resign from NATO last summer, but was persuaded to stay on another year by President Carter and Defense Secretary Harold Brown. Gen. Haig gave no reason for his decision to step down, beyond saying that by June he will have served in his present post for roughly 4½ years, like most of predecessors.

Although the general said he has no specific plans, he was careful not to rule out the political career he is rumored to be considering.

"I can say categorically that I have no political plans at the moment," Gen. Haig said. "But of course in the future I never exclude anything."



Gen. Alexander Haig Jr.

ers to resist "Soviet imperialism" and warning against a world where "justice resides in the hands of those willing to use terrorism and blood."

By resigning this summer, Gen. Haig also will be free to speak his mind during the debate expected later this year over ratification of the Strategic Arms Limitation Treaty which President Carter hopes to have concluded by then with the Soviet Union.

Today, Gen. Haig refused to make any comments, either favorable or otherwise, on the SALT-2 negotiations, which appear to have

run into fresh difficulties. But after noting Western Europe's fears about the possible consequences of the emerging treaty on its own defenses and President Carter's reassurances, Gen. Haig said dryly that "we've yet to see the treaty's final language."

"Coming straight from this job, I'd Haig could have quite an impact on the SALT-2 debate," a European official here said.

Abrupt Announcement

Although Gen. Haig said that his decision to resign had been long planned, its announcement today appeared abrupt. President Carter, the secretary-general of NATO, Joseph Luns, and other allied governments were only informed this morning. The general said that as (Continued on Page 2, Col. 5)

For Cost-of-Living, Hardship-Area Credits

IRS Issues Overseas Data for Deductions

By Robert C. Siner

WASHINGTON, Jan. 3 (IHT) — The Internal Revenue Service yesterday began sending out tax tables for use by U.S. citizens and residents abroad in determining their cost-of-living deductions on their 1978 income-tax returns.

The IRS also sent out a list of hardship areas ranging from Afghanistan to Zambia and including India, the Philippines, the Soviet Union, Turkey, most of the Middle East and Belfast and Londonderry in Northern Ireland.

U.S. citizens living in those areas can claim a \$5,000 hardship deduction. Both the cost-of-living table and the hardship list are essentially the same as those used by the U.S. government for its overseas employees. The cost-of-living and the hardship deductions are part of legislation passed in October that revised the taxation of U.S. citizens and residents overseas.

That law replaced the income-ex-

clusion special deductions for housing, education, cost-of-living, hardship and home leave. The IRS was ordered to draw up the appropriate tables.

12 Categories

The cost-of-living table divides the world's countries into 12 categories, and for each category a dollar amount is given for family sizes from one to six. This figure represents the amount by which the general cost of living in the area exceeds the general cost of living in New York City for a family with an income equal to Grade 14, Step 1 of the U.S. pay scale (about

\$32,400). It will be adjusted for inflation in accordance with adjustments in the U.S. pay scale.

To determine the deduction, a taxpayer would look up the appropriate foreign area and family size in the table. The dollar amount shown would be the deduction, no matter what the income of the taxpayer.

Illustrating how this would work is a partial list of deductions for various family sizes in:

Norway — two persons, \$6,400; four persons, \$8,400; six or more persons, \$9,300.

Mauritania — one person, \$6,200; six or more persons, 10,700.

Belgium, Japan, Lichtenstein, Sweden, Switzerland — two, \$3,300; four, \$7,000; six or more, \$7,800.

Austria, Iceland, Nigeria, West Germany, United Arab Emirates — two, \$4,300; four, \$5,700; six or more, \$6,300.

Denmark, Finland, France, Luxembourg, Soviet Union, Venezuela — two, \$3,500; four, \$4,600; six or more, \$5,100.

Netherlands, Saudi Arabia — two, \$2,800; four, \$3,700; six or more, \$4,100.

Monaco, Yemen, Zambia — two, \$2,300; four, \$3,000; six or more, \$3,300.

Indonesia, Jordan, Tunisia — two, \$1,800; four, \$2,300; six or more, \$2,600.

Andorra, Australia, Bulgaria, Hong Kong — two, \$1,300; four, \$1,700; six or more, \$1,800.

Israel, San Marino, Vatican City — two, \$800; four, \$1,000; six or more, \$1,100.

Czechoslovakia, Greece, Hungary, Italy, Singapore, Spain — one person, \$200; two to five persons, \$300; six persons or more, \$400.

Egypt, Britain, India, Ireland, Kenya, Philippines, Poland, Portugal, Romania, South Africa, Turkey, Yugoslavia — No cost of living deduction.

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An IRS spokesman cautioned that these tables are for use in computing last year's taxes only. He added that while they could be used as a guide for determining this year's taxes, the tables for estimating this year's income are expected to be issued in the spring. He suggested that some taxpayers might want to ask their employers to increase the amount of taxes withheld, to avoid risking penalties for underestimating their tax liability this year.

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Treasure Diver Jackpot: Sunken Galleon's Riches

By Gregory Jaynes

ANNVILLE, Pa., Jan. 3 (NYT) — In 1641, the galleon Concepcion smashed into a coral reef 85 miles northeast of what is now the Dominican Republic and sank with a huge store of silver and gold in her hold. In late 1978, a Pennsylvania of little means named Burt Webber Jr. found the ship. It was a major discovery, according to historians.

The Dominican authorities, after inspecting pieces of eight and other precious items brought up by Mr. Webber's search team, confirmed the discovery. Mr. Webber then returned to his duplex on North Chestnut Street here for a quiet holiday with his family before going to New York to announce his find.

"It is quite an accomplishment in the field of treasure hunting," said Dr. Eugene Lyon, a Spanish and Latin-American historian who is a consultant with the National Geographic Society. "It was one of the major losses in the 17th century. I'd say it would be quite a feather in anybody's cap."

Although the find could run to millions of dollars, Dr. Lyon declined to speculate on the value. "These things are so iffy," he said. "Until all the material is salvaged and sold, it's awfully difficult to tell what it might bring."

Nor would Mr. Webber speak much about wealth. He spent the holiday in the company of relatives who thought it not only unnecessary but absolutely ridiculous to wish him a happy New Year. On New Year's Eve he was moved only to say the find was "like a dream come true."

Mr. Webber's wife of 15 years, Sandy, the mother of their four children, rolled a particularly savory thought around in her head. "I was at the card club when my son called," she said. "I thought (Continued on Page 2, Col. 3)

Basque Group Suspected

Military Chief Is Killed By Terrorists in Madrid

By James M. Markham

MADRID, Jan. 3 (NYT) — Terrorists this afternoon assassinated Gen. Constantino Ortin Gil, military governor of Madrid, as the 63-year-old division-level commander was returning to his apartment in the heart of the capital for lunch.

Although no terrorist organization immediately took credit for the attack, circumstantial evidence suggested that the general was the latest in a series of victims of the Basque separatist group ETA, which has apparently opened a new campaign aimed at provoking Spain's conservative military establishment.

Yesterday, ETA terrorists, who killed 60 persons last year, assassinated the assistant to the military governor of Guipuzcoa province, Maj. Jose Maria Herrera Hernandez, who was buried today in the Basque city of San Sebastian. In Pamplona yesterday, a policeman was blown to pieces by a bomb placed in a city square — an action for which the Basque terrorists also took credit.

Gen. Ortin Gil, known as an officer with few political views and thought loyal to Spain's democratic order, was cut down by two young men in ski parkas as he arrived at his apartment building facing Madrid's spacious Retiro park. The gunmen fled in a small stolen sedan, with their retreat

toward the northern reaches of the capital apparently covered by a second car.

The general, who was killed instantly by bullets that struck him in the head, became the sixth high-ranking military officer to be slain since November, 1977 — assassinations that have punctuated Spain's transition from the Franco dictatorship to West European-style democracy.

Until recently, military governors had considerable power and commanded local military and paramilitary units for internal security purposes. But, in the last few months, the interior minister, Rodolfo Marin Villa, has transferred many of these powers to Spain's civilian province governors, leaving their military counterparts with largely logistical and supply responsibilities.

Nine-millimeter parabolism cartridges found near the pool of blood on Calle Menendez Pelayo, regularly used by ETA commandos in their operations, as well as the style of the killing and the use of stolen cars, suggested strongly that the Basque terrorists were responsible for the general's slaying.

But, displaying the government's edginess about reactions to the slaying in the ranks of the military, Mr. Martin Villa immediately is (Continued on Page 2, Col. 2)

To Offset Iran Loss

Cut in Oil Use Urged
On U.S. Consumers

WASHINGTON, Jan. 3 (UPI) — Energy Secretary James Schlesinger today urged consumers to voluntarily reduce their oil use in order to cut total U.S. consumption by more than half a million barrels a day to help offset the loss of Iranian oil.

Mr. Schlesinger said that mandatory measures, including oil allocation, may be required if the halt in Iran's exports continues for more than a few months.

For the time being, Mr. Schlesinger told a news conference, the industrialized world is "borrowing against the future" by using an extra 2 million barrels of stockpiled oil daily. He described the situation as "serious, but not critical."

Iran, its oil fields nearly shut down because of political turmoil, halted all exports last Wednesday.

More Optimistic

Mr. Schlesinger's assessment differed from one given yesterday by a State Department official, who said the United States, Western Europe, Japan and other major oil consumers could easily survive the loss of Iranian oil exports for more than six months.

"We should begin to take prudent [conservation] actions in this country of a voluntary measure," Mr. Schlesinger said.

He listed three steps that could cut consumption by 600,000 barrels a day:

- Obeying the widely ignored 55-mph speed limit, which would save 100,000 barrels.

- Cutting home thermostats back to a maximum 65 degrees Fahrenheit, which would save 300,000 barrels.

- Eliminating all unnecessary driving, which would save 200,000 barrels.

Mr. Schlesinger said conditions will be "quite manageable" for the next three months without Iranian oil. But he said the situation would grow more difficult after that, and a serious crunch could occur if Iran has not resumed production by the end of the summer.

By contrast, the State Department official emphasized yesterday that available reserves and increased exports by other producers, mostly Saudi Arabia, would make up for the loss of Iranian oil.

The official, who cannot be identified under the rules of a State Department briefing for reporters, said that if there is no change in Iran's oil crisis, six months is something we can get through with relatively little difficulty.

"Beyond that, I am not sure that we would run into any insurmountable problems either," he said.

The official said it was impossible to predict when the lack of Iranian oil exports would become critical for the international market.

Bakhtiar Supported

(Continued from Page 1)

shah has abdicated. Political and religious leaders in Iran also have rejected Mr. Bakhtiar's proposed deal because the 62-year-old lawyer agreed to let the shah retain the throne.

Martial law, in effect since Sept. 7 would end "region by region" and that press freedom would be restored.

Mr. Bakhtiar, who said he hoped to present his list of cabinet ministers within three days, said he was "betting everything in hopes of winning everything."

He said that Iran's economy had been badly damaged by a crippling strike that halted oil exports.

Meanwhile, there were these related developments today:

- In Paris, Ayatollah Khomeini asked Iranians to produce enough oil and food to provide for the country's domestic needs. "I have given the order to continue with petroleum production sufficient to meet the needs of the country," he said in a statement. "Religious leaders and preachers must tell farmers to work energetically in the production of food necessary for Iranians, but abstain from cultivation of products that the government exports."

- In Moscow, the Communist Party newspaper Pravda denounced what it said were U.S.-spread "provocative anti-Soviet inventions" about Kremlin policy in Iran and again declared the Soviet Union was not interfering in the civil strife there.

- The U.S. Embassy in Moscow delivered a protest to the Soviet Foreign Ministry "objecting to recent Soviet media treatment of U.S. policy in Iran." The protest referred to a Pravda article last Thursday that said a 60-man U.S. task force was sent to Iran to bolster the shah's political position.

- U.S. diplomats said four or five persons were sent to Tehran to handle the increased workload in the political and consular sections of the embassy.

Queen to Bypass Iran
On Middle East Trip

LONDON, Jan. 3 (AP) — Buckingham Palace announced today that Queen Elizabeth II and Prince Philip will cancel a planned state visit to Iran next month on the advice of the shah, who left the door open for a future visit, circumstances permitting.

A 24-hour visit to Iran was originally planned as part of the royal couple's 22-day Middle East tour. The palace said the queen understands the situation and has agreed to forgo the stopover.

"But on the basis of the information we have, we don't think it is yet of critical proportions and with prudent behavior and calmness the world can get through that," he said. "We would estimate there are some 4 to 5 billion barrels of oil in stocks around the world at this juncture."

"We are confident there are enough stocks available to enable us with the incremental production from other countries to get through a considerable period of loss of Iranian production."

Saudi Production

Saudi Arabia has contributed most to the increased production that is helping offset the Iranian shortages. Its daily output of about 8.5 million barrels is now running at more than 10 million barrels, the official said.

The official acknowledged that the halt of Iranian oil exports was a serious loss.

"However, it is not an immediately critical situation and through prudent behavior by governments and private consumers there is every reason to believe that we can weather this with minimal disruption."

Iran's normal production was estimated at between 5 million and 6 million barrels daily before the disruptions began last fall. Iran's production now is not enough to satisfy its own daily consumption.

The United States gets only about 5 percent of its oil imports from Iran. The countries most affected by the loss of Iranian oil are West Germany, Japan, the Netherlands, Britain, Israel and South Africa.

Train Crash in Malaysia

KUALA LUMPUR, Malaysia, Jan. 3 (AP) — Twenty-three persons were injured, three seriously, when a southbound freight train collided yesterday with a northbound passenger train at Renggam, 190 kilometers south of Kuala Lumpur, a police spokesman said.

Whether Princess Shams — sister of the Shah of Iran — or Taj Malek, the monarch's mother, witnessed the attack was not known. But a reliable source said that both were in the secluded and heavily guarded home at the time.

The queen mother, said to be in her 90s and in ill health, fled from Iran last week to take refuge with Princess Shams in the mansion that the princess purchased four years ago for a reported \$550,000.

Witnesses said that at least two automobiles were overturned and set afire by students. One burned car, believed to be a U.S. State Department vehicle, was inside the gate of the estate. The other was on the street.

The Beverly Hills Fire Department said the brush and shrubs set afire by the students on and near the estate were quickly extinguished.

As far as could be determined, the mansion itself was not damaged by flames, but reporters at the scene believed that several windows in the house were knocked out by rocks, sticks and clubs hurled by students in their initial charge.

After the students were repulsed from the state grounds, policemen forced them into a small nearby park.

A man who identified himself as Mehdi Mozbar, 25, a leader of the Iranian Students Association, said the young Iranians had come from all over the United States to protest the harboring of the shah's mother in Beverly Hills. He claimed that the demonstration would have been peaceful if police had not provoked the Iranians.

"It was the police who drove us," he said. He charged that police cars coming into the neighborhood knocked over several students.

Sheriff's Information Officer Chet Ballew said that sheriff's cars responding to the radio report of a woman deputy being dragged from her car knocked down several students as they sped to help her. He said the patrol cars had been surrounded by demonstrators and it was necessary to "floor the accelerators" to get through the mob.

Mr. Ballew said the woman deputy was rescued unharmed.

Train schedules slowly returned to normal on trunk routes between Flensburg, Kiel and Hamburg. Police escorted large convoys of private autos on partially cleared major north-south roads, which at some points narrowed to single lanes through snow.

The severe cold also struck East Germany, where a major source of the country's power and household gas supply, the Communist Party daily newspaper Neues Deutschland described the power supply situation in East Germany as extremely serious.

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London Times, Still Shut Down, Dismisses 600

PARIS, Jan. 3 (IHT) — The dispute which has closed the London Times and Sunday Times newspapers since Nov. 30 appeared still deadlocked today after 600 Times clerical employees lost their jobs yesterday when their dismissal notices expired.

Union officials said the dismissals would "embitter" the struggle. The printing unions have refused to negotiate on the original management demands for no-strike guarantees and the introduction of new computer-based technology until the dismissal notices are withdrawn and the newspapers resume publication.

Several government-led mediation attempts have failed to obtain any visible results.

There was equally little response to a suggestion by Cabinet minister Anthony Wedgwood Benn that the government take over the Times and run it along lines similar to the British Broadcasting Corp.

A union official said the newspapers had been closed so long that the situation was becoming accepted. Among the 3,000 employees still on the Times payroll, many staff members continue to go to their offices. Reporters have been working on long-term stories, and the Times management reportedly has pledged to keep paying them for six months at least.



Iranian student demonstrators break through a driveway gate Tuesday at the Beverly Hills home of the sister of the Shah of Iran. The mother of the shah also has taken refuge in the home.

Iranians Storm U.S. Home of Shah's Sister

By Jerry Belcher

BEVERLY HILLS, Calif., Jan. 3 — A mob of at least 500 students stormed the palatial Beverly Hills home of Princess Shams of Iran yesterday, shattering several windows and setting at least a dozen small fires on the grounds of the estate before being driven back by police and sheriff's deputies using batons and tear gas.

At least 35 of the protesters were injured during a 45-minute melee in the exclusive neighborhood.

Beverly Hills police said that two persons were arrested, and a Los Angeles Sheriff's Department spokesman said that deputies made at least six arrests.

Whether Princess Shams — sister of the Shah of Iran — or Taj Malek, the monarch's mother, witnessed the attack was not known. But a reliable source said that both were in the secluded and heavily guarded home at the time.

The queen mother, said to be in her 90s and in ill health, fled from Iran last week to take refuge with Princess Shams in the mansion that the princess purchased four years ago for a reported \$550,000.

Witnesses said that at least two automobiles were overturned and set afire by students. One burned car, believed to be a U.S. State Department vehicle, was inside the gate of the estate. The other was on the street.

The Beverly Hills Fire Department said the brush and shrubs set afire by the students on and near the estate were quickly extinguished.

As far as could be determined, the mansion itself was not damaged by flames, but reporters at the scene believed that several windows in the house were knocked out by rocks, sticks and clubs hurled by students in their initial charge.

After the students were repulsed from the state grounds, policemen forced them into a small nearby park.

A man who identified himself as Mehdi Mozbar, 25, a leader of the Iranian Students Association, said the young Iranians had come from all over the United States to protest the harboring of the shah's mother in Beverly Hills. He claimed that the demonstration would have been peaceful if police had not provoked the Iranians.

"It was the police who drove us," he said. He charged that police cars coming into the neighborhood knocked over several students.

Sheriff's Information Officer Chet Ballew said that sheriff's cars responding to the radio report of a woman deputy being dragged from her car knocked down several students as they sped to help her. He said the patrol cars had been surrounded by demonstrators and it was necessary to "floor the accelerators" to get through the mob.

Mr. Ballew said the woman deputy was rescued unharmed.

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Military Chief Is Killed
By Terrorists in Madrid

(Continued from Page 1)

sued an order warning Spanish newspapers and radio stations against publishing any communication issued by the assassins since it "could amount to an apology for terrorism and constitute a grave insult and libel against the armed forces."

Typically, ETA claims credit for its killing by telephoning messages to radio stations in the Basque region or leaving them at a newspaper published near San Sebastian that is not sympathetic to its views.

The organization ETA, whose initials mean Basque Homeland and Liberty in the Basque language, has since September become the object of a huge, largely silent hunt reportedly led by a high-ranking police officer named Roberto Conesa, a specialist under the Franco regime in suppressing less violent leftist organizations that are legal today.

According to a Spanish press report, Mr. Conesa has in the last four months broken up 46 ETA "commandos" — cells usually made up of three or four persons — arrested about 200 persons under the provisions of an anti-terrorist law passed by parliament last summer and seized a large amount of light weaponry as well as stolen cars, false passports and identity cards, disguises and almost \$500,000 in pegasus said to have been stolen from companies and banks.

Several newspapers noted that his killing occurred one day after the fifth anniversary of ETA's assassination in Madrid of Premier Luis Carrero Blanco, whose car was blown high over a church in an elaborately planned job code-named "Operation Orgo."

In the context of Argala's mysterious death, some see the long hand of ETA, which usually operates in the Basque zone, as coming to Madrid in revenge.

"This is the answer to Argala," a European diplomat said today after learning of Gen. Ortin Gil's assassination.

Today's assassination and others

that may follow are expected to cloud the political atmosphere at a sensitive time. A week ago Premier Adolfo Suarez convoked general elections, to be held on March 1. Terrorism has already emerged as a major issue in the incipient political campaign.

2 Bombings in Madrid

MADRID, Jan. 3 (Reuters) — Two powerful bombs tonight destroyed ticket offices in separate subway stations in north Madrid, the police said. No one was hurt. Police said two youths had apparently placed both bombs and told the ticket staff to move before the blasts.

Treasure Diver's Jackpot:
Riches of Sunken Galleon

(Continued from Page 1)

something was wrong with the house. He said, "Daddy found the wreck."

It is the stuff of legend, Mr. Webster, 36, lives in a town where the only noticeable spark in life is caused by an automobile muffler dragging on the pavement.

When he was 16 he took up scuba diving, an avocation nearly unheard of in landlocked Lebanon County. He explored stone quarries and read books about sunken treasure. He read "Treasure Island," too.

From the age of 20, he hired out with one expedition or another, and they all came to naught. "One fiasco after another," Mr. Webster recalled. The people in town, he said, would say, "Butt's off on another expedition. We've heard this story before."

Between expeditions, Mr. Webster supported his family by working in a brick plant, selling encyclopedias, welding and other prosaic tasks; he was home about a third of the time. Gradually, his fantasies about sunken treasure dovetailed into what he came to think of as a pragmatic business venture.

With the help of an investment broker in Chicago, he formed Sea Quest International. Backers were secured in several major cities. A historian was engaged for meticulous research on the wreck of the Concepcion.

Sir William Phips, the first royal governor of Massachusetts, found part of the wreck in 1687 and salvaged 32 tons of silver. But that was all that the technology of the time would allow him to get at, and for centuries it was thought that the ocean held back more than it gave Phips' expedition.

In 1977, Mr. Webster obtained a 65-foot vessel and a nine-man crew. Working out of Puerto Plata, he systematically surveyed a 16-mile-long reef comprising hundreds of coral heads and forming part of the 42-mile-long Silver Shoals, where the wreck was believed to be. He searched for five months without success.

Last November, he secured a 113-foot former British minesweeper and a 16-man crew, and returned for a second look. On Nov. 28, he entered the water with a supersensitive, hand-held cesium magnetometer.

A series of lights on a console in the instrument's housing changes hues, and the vibrations in a head set attached to the diver's mastoids intensifies when he finds the wonderfully apt word of the treasure hunter — "anomalies."

"I swam around one of these coral heads and into the next grid survey we had buoyed out," Mr. Webster said. "And there it was. The magnetometer started to swim in and out of the canyons."

Pieces of eight minted in 1638, 1639 and 1640 were found, and also porcelain from China shipped into Acapulco, trekked overland to Vera Cruz and put aboard the Concepcion for shipment to Spain. The salvage job, which Mr. Webster will begin next week, is expected to take six months.

"This ship is completely disintegrated," he said. "The treasure is in the complexity of these coral reefs. Salvaging will be a tremendous job."

Some estimates of the treasure run as high as \$40 million. "It could go beyond one's wildest dreams," Mr. Webster said, "or the next handful of silver coins could be the last."

Whether proves to be true, the Dominican Republic, which released news of the discovery Dec. 21, will get half. Mr. Webster's backers will get their share and he will get "a significant percentage."

The wealth, he said, will bring no abrupt change to the Webbers. "It just gives me the means of providing the security that my family justly deserves," he said. "I've never been very security conscious."

"To me," Mrs. Webster said, "it's like finally I can relax. It's OK. Everything is going to work out."

For now, said Mr. Webster, who is the No. 1 anomaly in Annnville, he must go to New York and announce his discovery, then return to Silver Shoals — where "it's like diving to the depths of a museum and touching antiquities that have not been touched by another human hand in centuries."

U.K. Drug Haul Rose

LONDON, Jan. 3 (Reuters) — British customs seized drugs worth more than £22 million (about \$44 million) last year — nearly twice as much as in 1977, it was announced today.



Gen. Constantino Ortin Gil

Summit Talks to Touch
On Major Political Issues

(Continued from Page 1)

threat to European interests and potential gain for Soviet interests.

In talks over two days, mainly in a straw-thatched shelter near a beach, Mr. Carter is expected to spend a lot of time explaining U.S. thinking to British Prime Minister James Callaghan, French President Valery Giscard d'Estaing and West German Chancellor Helmut Schmidt.

Although the Guadeloupe invitations were formally issued by Mr. Giscard d'Estaing, the summit apparently was arranged largely by Zbigniew Brzezinski, Mr. Carter's national security adviser, on a European trip last October. In meetings with the three European leaders, Mr. Brzezinski reportedly outlined the SALT-2 treaty and defended it against criticism that it would leave the Soviet Union at a military advantage and undermine the credibility of the United States as a deterrent force for Western Europe.

He also urged European governments to start considering their options in the next round of SALT negotiations.

While SALT-2 covered only intercontinental missiles based in the U.S. and the Soviet Union, SALT-3 is intended to include the theater nuclear forces in Europe. They are the so-called "gray area systems" — the Soviet weapons threatening Western Europe, like the Backfire bomber or the SS-20 mobile missile, and such U.S. nuclear systems as the Cruise missile, which could be stationed in Europe.

These systems are a prime security issue in planning future disarmament talks.

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Record Low Temperatures in Italy

Severe Europe Cold Brings Snow to Athens

PARIS, Jan. 3 (AP) — Snow fell today on Athens for the first time in years, as low temperatures and had weather swept Greece and put an end to the springlike conditions prevailing during the last week.

In Athens, the temperature dropped from 63 to 39 degrees Fahrenheit within 24 hours, and in northern Greece, where the temperature dropped to 32 F, heavy snowfall cut off communications to mountain villages.

Snow fell as far south as the mountain ranges of the island of Crete midway between the Greek mainland and the North African coast.

Snow fell for the first time in 50 years on the beach resorts of Taormina and Messina in Sicily, while the Alpine regions of northern Italy reported a record low of -22 degrees F.

Weather conditions in Istanbul closed airports and restricted traffic on the Bosphorus bridge linking Europe and Asia.

Elsewhere, parts of Europe reported their severest winter weather in years and a total of 47 deaths were reported by European countries. Low temperatures and snow were blamed for 19 deaths in Britain, 12 in West Germany, 10 in France, 5 in Hungary and 1 in Sweden.

In Schleswig-Holstein, West Germany's northernmost state, repair crews managed to restore power to most snowed-in hamlets and farms. Authorities in Kiel confirmed that six persons died because of the severe cold that first hit the state a week ago. Another two were confirmed dead in the neighboring state of Lower Saxony to the south.

About 15,000 troops, police and emergency service men helped with tanks, plows and road graders to restore traffic to normal in Schleswig-Holstein. About 100 villages and hamlets were without electricity when a blizzard disrupted power lines. The failure caused the deaths of hundreds of farm animals.

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Gains Cited
In Cambodia

(Continued from Page 1)

strongholds in the rubber-plantation area to the northeast — "liberated zone," Kratie was captured last week by a drive up Highway 7 from the Vietnamese border area northeast of Phnom Penh, leaving the difficult mountainous terrain to the east in Cambodian hands.

The principal objective of the possible attack on Cambodia's south would be the cutting of Highway 4, the U.S.-

Parade Displays Soviet MiGs

Castro Brother Alleges Brzezinski Is Anti-Cuba

By Don Shannon

HAVANA, Jan. 3 — Raul Castro, armed forces minister of Cuba and the brother of President Fidel Castro, yesterday accused Zbigniew Brzezinski, the chief White House foreign-policy adviser, of being mainly responsible for U.S. actions against Cuba.

Mr. Castro spoke at a military parade marking the 20th anniversary of Cuba's Communist revolution and featuring the first public display of Soviet MiG-23 jets given last summer to Cuba by the Soviet Union.

His speech recapitulated much of a longer message delivered by Fidel Castro Monday at an anniversary session of the National Assembly, a message that caused the U.S. diplomatic representative here, as well as Chinese and Egyptian officials, to walk out in protest.

U.S. Envoy Remains

Lyle Lane, chief of the 10-member U.S. Interest Section in Cuba, remained until the end of yesterday's parade despite a cloudburst of the flight of six MiG-23s over Havana's Plaza de la Revolution. Two Chinese diplomats departed when Mr. Castro repeated his older brother's taunt directed against the establishment of full relations by Washington and Peking and against Egypt's participation in the Camp David talks with Israel. "Cuba is not China, Cuba is not Egypt."

Mr. Castro repeated his brother's theme that Cuba will never sacrifice its Communist principles, as the two said China had done in yielding its claim to Taiwan to win U.S. economic aid.

Raul Castro questioned whether there is a difference between the present U.S. government's policy toward Cuba and those of its predecessors. While there have been indications of an intent to end 30 years of U.S. "hostility," the armed forces chief said, there are "serious contradictions" — such as the resumption of U.S. electronic surveillance of Cuba in November, U.S. and allied naval maneuvers linked to the presence of the MiG-23s and statements by U.S. officials that the 1962 economic embargo of Cuba must remain in force until Cuba reduces the number of troops it has in Africa.

Attributing such actions to President Carter's advisers, Mr. Castro

said that it appeared "necessary to record on this anniversary that the principal of these advisers is Brzezinski."

In a reference to a speech by his brother on July 26, he declared that there can be no neutrality for Cuba in the conflict between Angola and "its invaders," between socialist Ethiopia and the Somali aggressors, between the South African government and the South African people, between the government of Ian Smith and the people of Zimbabwe (Rhodesia).

Diplomat's Response

He repeatedly lauded the Soviet Union as Cuba's greatest ally in the 20 years since the revolution, and the parade confirmed his words. From new tanks and personnel carriers to a squadron of military helicopters, all the equipment displayed was of Soviet origin.

Although U.S. officials declined to comment on the two Castros' speeches, a Western diplomat said that Fidel Castro's caustic criticism of the resumption of ties between Peking and Washington justified Mr. Lane's leaving the Karl Marx Theater on Monday. The speech also expressed Mr. Castro's resentment at the Carter administration's failure to carry out what had been regarded here earlier as promises of friendship, the diplomat said.

He also noted that the Monday establishment of full U.S.-Chinese relations coincided exactly with the 20th anniversary of the Cuban Revolution. He said Fidel Castro must have been irritated by the timing and by the public reminder that, even after 20 years, his own regime had been unable to reach an accommodation with the United States.

"In both speeches," the diplomat said, "there was emphasis on Cuba's wish for peaceful coexistence. There was a repetition also of the old Cuban complaint that the trade embargo still prevents even the purchase of medicine or food from the United States. Notwithstanding the protestations of principle [Fidel Castro said Monday that Cuba would never negotiate without a total lifting of the embargo first], the regime has to accept the fact that Cuba needs the United States more than the United States needs Cuba."

C. Los Angeles Times



STERLING WORK — New York Police Detective Robert Volpe displays a sterling silver centerpiece that turned up Tuesday in a Brooklyn building. The 18th-century object, stolen last year in London, has a value of \$50,000.

Chides Council, State

Mayor of Cleveland Cites 'Last Resort,' Idles 400

CLEVELAND, Jan. 3 (UPI) — Declaring that Cleveland is "up against the wall financially," Mayor Dennis Kucinich yesterday laid off 400 city employees, including 275 police officers, in what he called a "last resort" to cut city expenses. The mayor also lashed out against the state, which he said "hasn't lifted a finger to help the city" in its financial crisis.

Mr. Kucinich said the layoffs — effective Friday — would save the city \$600,000 a month. He added that efforts would be made not to reduce the number of officers on city streets. No layoffs were made in the fire, waste collection, street repair and recreation departments.

The layoffs were announced as the city defaulted on a \$5-million employee pension fund payment. Attorney General William Brown said that the payment must be made before the end of the month or he would place a lien against the city's 1979 income tax receipts to insure payment.

The mayor chided the city council for "irresponsible behavior," saying that it could avert the layoffs by setting \$5 million in city property, something the council has been reluctant to do. "The layoffs," said Mr. Kucinich, "now are up to the city council."

'It's Wrong'

The mayor assailed the attorney general's office for its refusal to give the city more time to pay the pension funds. "It's wrong the state ignores the city of Cleveland and that state officials just don't care," declared Mr. Kucinich. The pension funds are not in any financial difficulty where they have to move on the city of Cleveland. He also said that if the state puts a lien on further city tax income it would mean even more layoffs.

Yesterday Mr. Brown blocked a move to drop the lien and, thereby, eliminate the need for the layoffs. "If the board even attempts to meet on the Cleveland situation, the attorney general has informed us that he would consider it a violation of our fiduciary responsibility."

U.S. Delays Any Action On Assassination Probes

By George Lardner Jr.

WASHINGTON, Jan. 3 (UPI) — The Justice Department indicated yesterday that it would take no immediate action on the recommendations by the House Select Committee on Assassinations for further inquiry into the murder of President Kennedy. Justice Department spokesman Terry Adamson, however, made clear that neither the department nor the FBI will take any steps until the committee's voluminous report, including supporting data, is issued. The panel chairman, Rep. Louis Stokes, D-Ohio, has said this may take until the end of March.

"Upon receipt of the final report," Mr. Adamson said, "the Department of Justice will study it with care, compare it with investigations heretofore made in the King and Kennedy cases, and we will take such action at that time as we may determine warranted."

The committee concluded last week after an investigation costing \$5.8 million that "Kennedy was probably assassinated as the result of a conspiracy." The finding rested heavily on an acoustic study of the sounds in Dealey Plaza, Dallas, accidentally picked up by a police transmitter, when Kennedy was killed Nov. 22, 1963.

The experts who conducted the study said that the police tape recording of the noises showed "beyond a reasonable doubt" that a shot had been fired from the so-called "grassy knoll" in front of the president, in addition to those that came from the Texas School Book Depository.

Issuing its findings and recommendations in advance of the projected 39 volumes of its final

report, the committee called on the Justice Department to:

• Commission a study of a long-ignored film taken in Dealey Plaza before and during the assassination "to determine its significance, if any." Private researchers who helped unearth the film in November have maintained that blowups of the frames show two figures at the sixth floor windows of the depository seven minutes before the murder. The committee asked its photographic experts to study the film, but their findings were apparently inconclusive.

• Conduct a study of the use of acoustics in criminal cases, with the Kennedy assassination as the prime example. The committee suggested the work be done jointly by the National Institute of Law Enforcement and the National Science Foundation.

• Decide, on the basis of these studies and the committee's report, "whether further official investigation is warranted" in either the Kennedy assassination or that of Martin Luther King.

Chinese Appoint Hu Propaganda Chief

HONG KONG, Jan. 3 (Reuters) — A newly elected Politburo member of the Chinese Communist Party, Hu Yao-pang, has been appointed the party's secretary-general and propaganda chief, the New China News Agency reported today.

Mr. Hu, who succeeded Chang Ping-hua as propaganda chief, had been director of the party central committee's organization department since last month.

Cites Conflicting Interests of Superpowers

Brown Fears Clash on 3d World Resources

By George C. Wilson

WASHINGTON (WP) — There is an increasing danger that the United States and the Soviet Union could be dragged into a Third World conflict where access to natural resources is at stake, Defense Secretary Harold Brown told the Washington Post in a year-end interview.

Mr. Brown said he was worried about the general problem raised by the conflicting interests of the two superpowers in developing countries, and, responding to a question, cited as an example the current turmoil in oil-rich Iran.

Mr. Brown said the prospects of instability in developing countries are such "that we might have a very difficult time avoiding the choice between active participation in conflict, although not necessarily with ground forces, or a severe damage to our national interests and resources."

Specialized Force

The secretary, who has just finished his second year as head of Defense, did not spell out how the United States could successfully use its power in cases where developing nations' vital resources were in contention.

He did say, however, that "planning is going ahead" for a highly mobile, hard-hitting specialized force to handle conflicts outside the scope of NATO.

A year ago Mr. Brown and other administration executives were talking about assembling two Army divisions and a Marine amphibious force to respond to emergencies in vital areas like the Gulf. Mr. Brown said that specialization of such a military force is limited by the variety of threats worldwide that the United States must plan for.

"Our forces need to be multipurpose," he said. "We're not like the Soviets, who have 150 divisions. They can deploy 35 or 40 on one border, 30 or 40 on another, and a big mass in between."

He said that the Second Army Division now being withdrawn from South Korea could be part of a specialized Gulf force.

Risk of War

In contrast to the rise in danger of superpower conflicts within developing countries, Mr. Brown said that on balance he does not believe the United States and the Soviet Union have gotten any closer to a nuclear war in the last two decades. "I hesitate to say" that the risks of such nuclear conflict "have gone down," he said. "But they may have."

Mr. Brown said the most positive accomplishment of his two years at the Pentagon is the absence of U.S. involvement in any war. "Now



Harold Brown

that's not something you can credit to the Defense Department," he emphasized. "Let alone to me. But it is a fact, and it is something for which the administration as a whole intends to take full credit."

The secretary made observations on other major topics:

• SALT-2. U.S. spending for strategic forces — those that would be used in an all-out nuclear war — will have to be increased above the present \$10-billion-a-year level even if a new Strategic Arms Limitation Treaty is signed with the Soviet Union.

• China. "The big payoff militarily in establishing relations with Peking is that it stabilizes the situ-

ation in a way that reduces our concerns about Northeast Asia. But I think it would be a mistake to say the main payoff is military. It's principally diplomatic." He added, however, that "it's very important to us that the Soviets not be able to throw their political and military strength all at one point" — which could be the case if the Russians reached such an accommodation with China that would allow them to transfer divisions on the Sino-Soviet border to the NATO front.

• Space warfare. The Russians have developed and tested anti-satellite weapons. "And we haven't responded in kind. But that has not caused them to restrain" their anti-satellite program. "So we are going ahead still on a rather modest scale, but we've got some pretty good technology that would probably enable us to come out ahead."

• Civil Defense. "I don't think civil defense, whether it be by shelter in the cities or by evacuation from them, really prevents unacceptable damage from being inflicted on either side" in a nuclear war. "On the other hand, an outcome that differs by 30 or 40 million more dead in one case, which could be the difference between the civil defense plan and no civil defense plan, could — I don't think it's like-

Italian Mail Trains To Be Bullet-Proof

ROME, Jan. 3 (AP) — The Italian railroad is putting on bullet-proof mail cars in an attempt to halt holdups. Eighty new cars have been ordered, and 262 mail cars already in service will be fitted with bullet-proof glass and special locks, officials said.

The new cars can only be opened from the inside, and any attempt to force the doors will touch off a siren and a red light outside the car.



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Magistrate Remands Layton

Cult Member to Be Tried For Murder of Rep. Ryan

GEORGETOWN, Guyana, Jan. 3 (AP) — A Guyanese magistrate yesterday ordered Peoples Temple member Larry Layton to stand trial for the murder of U.S. Rep. Leo Ryan on Nov. 18. Defense lawyers said that the trial in Guyana's Supreme Court would probably start next month.

Magistrate Krishna Veni Chintia ruled against the X-ray technician from San Francisco at the end of a three-week preliminary inquiry. "I am innocent of the charge," the 32-year-old Mr. Layton declared. "I did not shoot at or conspire with anyone to shoot at Congressman Ryan or any other person."

Rep. Ryan, D-Calif., was killed with three U.S. newsmen and a defector member of the cult at Port Kaituma airstrip, six miles from the cult's Jonestown commune. A few hours later, Peoples Temple chief James Jones led more than 900 followers to death in a murder-suicide ritual at the jungle commune.



Larry Layton

The congressman had flown to Guyana to investigate reports that some members of the San Francisco-based cult were being held against their will. He was taking some of them out when he was killed.

Mr. Layton is also charged in the other four deaths, but a pre-trial hearing date for those cases has not been set.

Prosecuting attorney Andram Kisoos said that while there was no evidence that Mr. Layton killed any of the five, that the slayings were the result of a plot in which Mr. Layton had participated. Under Guyana law, persons convicted of conspiracy to murder are guilty of murder.

The government contends that Mr. Layton was supposed to get aboard Rep. Ryan's plane by posing as a defector, and then kill the pilot so that the plane would crash and the passengers would be unable to tell the world what was going on at Jonestown.

There were two planes at the airstrip, however, and Mr. Layton was put aboard one with several of the defectors, while Rep. Ryan, the newsmen and the others prepared to board the other plane several hundred yards away. Survivors reported that a truckload of men from Jonestown drove up and opened fire on Rep. Ryan and his group.

Dale Parks, a defector aboard the plane with Mr. Layton, testified at the hearing that, when the shooting started, Mr. Layton drew a pistol and wounded two other defectors in their plane before the gun was taken from him.

Mr. Kisoos said that before the attack Mr. Layton was seen receiving a pistol from Joe Wilson, the acting security chief at Jonestown, who with others was seen shooting at Rep. Ryan and his party.

Nationwide Cold Snap Slaps U.S.;

Records Fall in Snow and Wind

NEW YORK, Jan. 3 (UPI) — A record cold spell beset the nation today from top to bottom.

The snowy, bitter snap spoiled yesterday's Florida gubernatorial inauguration, left thousands shivering in a natural gas curtailment in Dallas — the demand was too heavy — and kept temperatures below zero across much of the upper Midwest.

In Southern California a dry windstorm gusting to 90 mph overturned mobile homes and 40-ton trailer trucks, caused electrical outages and trapped boats at sea.

Bob Graham became the 38th governor of Florida in Tallahassee weather so cold that many among the relatively few who showed up left before he gave his inaugural speech. It even snowed on the parade, a first for Florida inaugurations.

Two elderly Milwaukee area men froze to death while on short outings from their homes in sub-zero temperatures. Milwaukee, Chicago and Duluth, Minn., the three coldest major cities in the nation yesterday, had highs of -7 degrees Fahrenheit. Windchill factors as low as -50 and a foot of snow continued to prevent full use of runways at Chicago's O'Hare International Airport.

There were widespread electrical outages because of high winds or ice-snapped power lines. Among the record lows set yesterday were 15 degrees at Meridian, Miss., 11 at Roanoke, Va., and 14 at Huntsville, Ala. Snow fell as far south as New Orleans.

New England, meanwhile, was basking in a January thaw — with record highs of 57 at both Hartford, Conn., and Worcester, Mass.

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Continued Ties Deemed Vital

Israeli Mission in Tehran Holds Out Unobtrusively

By Nicholas Gage

TEHRAN (NYT) — The Israeli mission in Tehran, unlike all the others, flies no flag over its compound, and no identification plates can be found on its iron gates or anywhere on the high gray walls that encircle it.

But in spite of their unobtrusiveness here, the Israelis have become an increasingly prominent target of the opponents of Shah Mohammed Reza Pahlavi.

Atyallah Ruhollah Khomeini, the exiled religious leader of the revolution against the shah, as well as many religious leaders inside Iran, consistently attacks him for maintaining diplomatic relations with the Israelis, siding with them, and supplying them with oil.

Although the Iranians are not Arabs, the religious leaders insist that Iran, as a Moslem country, should maintain a united front with other Moslem nations in the struggle against Israel.

Continued Ties Threatened

The declining fortunes of the shah, particularly the prospect that he may surrender his power temporarily, has been greeted by Israeli diplomats here with alarm. "Whatever happens," one said, "is going to be bad for us."

The diplomats fear that, should

Mideast Talks

Seen Resuming; Snags Remain

WASHINGTON, Jan. 3 (AP) — Peace talks between Egypt and Israel probably will be resumed here in mid-month, with Secretary of State Cyrus Vance as host, an Israeli diplomat said today. But, he said, several provisions are still in dispute.

One is a U.S. proposal to set the end of the year as a target date for establishing Palestinian autonomy on the Israeli-held West Bank of the Jordan and in the Gaza Strip. "We shall not accept a definite target because that would put the fate of the treaty in the hands of a third party," the diplomat said.

Mr. Vance has proposed the target date as a compromise between Egyptian insistence on a timetable for Palestinian self-rule and Israel's objection to linking the treaty to autonomy. Egyptian President Anwar Sadat has accepted that approach.

The Israeli diplomat also said that his government could not accept re-interpretation of a provision that gives the treaty precedence over Egypt's military ties with other Arab countries. Egypt wants to reserve the right to assist another Arab state that goes to war with Israel in self-defense.

"The provision giving peace with Israel precedence over Egypt's alliances is the heart of the treaty for us," the Israeli official said. "The proposed change would make it totally meaningless."

the shah go, the ensuing government will be tempted to appease the religious hierarchy by curtailing or possibly severing Iran's relations with Israel.

While Iran does not have full relations with Israel and Israeli diplomats are not invited to official government functions, the shah has granted Israel *de facto* recognition by allowing a large diplomatic mission to be maintained here. Iran supplies Israel with 60 percent of its oil requirements, permits Israeli businessmen to compete for lucrative contracts and buys Israeli goods. Imports from Israel had passed the \$100-million-a-year mark and were rising rapidly when the revolt reached full momentum last fall.

The five flights scheduled each week between Tehran and Tel Aviv by El Al, the Israeli airline, are booked to capacity as Israeli businessmen, dependents of diplomats and some Iranian Jews concerned about the deteriorating situation rush to leave the country.

After El Al's offices were attacked twice by demonstrators, the airline found new quarters that were less vulnerable than its previous center.

The strike in Iran's southern oil fields has already stopped the flow of petroleum to Israel, which has had to turn to other countries, such as Mexico, and the paralysis in the Iranian economy has dramatically reduced the importation of Israeli goods.

But Iran is the only country in the Middle East besides Turkey with which Israel has any diplomatic dealings and the Israelis are not likely to abandon their mission here no matter how bad the situation gets unless the Iranians cut diplomatic ties.

But if we leave now, it will be difficult to ever come back," an Israeli diplomat acknowledged. "So we have to hold on."

He said that in addition to political considerations, the Israeli mission has to take into account the more than 70,000 Jews who live in Iran, 50,000 of them in the capital. Although Iranians have a long history of compassion toward the Jews going back to Cyrus the Great, founder of the Persian monarchy, who freed the Jews from their Babylonian captivity, some extremist opposition groups have been making increasingly ugly threats against them in recent weeks.

A pamphlet sent Sunday to many Jews in the capital by an extremist group called the September 8 Organization said in part: "We soldiers of Islam give notice to all Jews in Iran to go to Israel as soon as possible because there is no place here for the money-mongering Jewish people. Otherwise you will be targets of our hatred."

But in spite of the increasing pressures on the Jewish community, fewer than 10 percent of Iranian Jews have left. "My family has been here for 300 years," a rug merchant said. "It's going to have to get a lot worse before I even think about leaving."



President Somoza of Nicaragua takes a morning jog.

Nicaragua Toll In Fighting Put At 27 in 2 Days

MANAGUA, Jan. 3 (UPI) — The worst violence since September's civil war has cost the lives of at least 27 guerrillas, soldiers and civilians in two days of country-wide fighting, military sources said today.

The deaths raised to 206 the number of killings since the war, in which about 1,500 persons have died.

The mounting violence apparently is meant to call attention to the anniversary of the murder last Jan. 10 of newspaper publisher Pedro Joaquin Chamorro, a political opponent of President Anastasio Somoza, security sources said.

The fighting started in cities and in the mountains from the northern Honduran border to the southern frontier with Costa Rica, sources said.

They said the bloodiest fighting occurred in a mountain range known as El Tular along the Honduran border, 180 miles north of Managua, where at least 15 Sandinista guerrillas and two soldiers were killed in fighting and air strikes in the last 48 hours.

U.S. Aide to Visit Turkey Next Week

WASHINGTON, Jan. 2 (Reuters) — Deputy Secretary of State Warren Christopher will visit Turkey Jan. 10-11 for talks with Turkish government officials on bilateral and other matters, the State Department announced today.

The turmoil in neighboring Iran will undoubtedly be on the agenda, as will efforts to resolve the Cyprus dispute, department spokesman Hodding Carter 3d said. But he stressed that Turkey, a North Atlantic Treaty Organization member, had invited Mr. Christopher in November and the trip was taking place at this time for reasons of mutual convenience, not related to negotiations on a new U.S.-Turkish defense cooperation agreement.

For delicate "international reasons," however, officials declined to discuss reports about current conditions. Yona Zeharia, secretary of the association, said that the Falashas were victimized by counter-revolutionaries in northern Ethiopia, a region where the regime of Lt. Col. Mengistu Haile Mariam was not exercising authority.

The counter-revolutionaries are feudal landlords who fear that Gen. Mengistu's agrarian reforms will enable Jewish squatters to become landlords for the first time in centuries. They forced Jews to work for them as slaves under threat of death and sold some into slavery, Mr. Zeharia claimed.

The Falashas were discovered in the last century by a Jewish explorer. It is uncertain when they began to practice basic Judaism — one account puts it as early as Solomon's time — but they had been unaware of biblical religious holidays and of Talmudic laws, suggesting that they had been cut off from mainstream Jewry.

The All-Union Council of Evangelical Christians-Baptists, who were granted the permit to import the Bibles, said this week that 5,000 concordances also have arrived at Moscow customs offices. The publications were produced by the Stuttgart Bible Printing Enterprise and were allowed into the Soviet Union duty-free.

In an article in the publication Baptist Times, the director of the Baptist World Alliance's division of relief and development said the Bibles were being made available through the Bible Society in Belgium.

Tiger Kills Dutch Guard

ROTTERDAM, Jan. 3 (UPI) — A Siberian tiger at the Rotterdam zoo today killed a 30-year-old guard who was putting a bucket of water in the cage while a security fence was unlocked.

Automakers Affected

FRANKFURT, Jan. 3 (Reuters) — Most West German car manufacturers anticipate cuts in production levels as of mid-January because of parts shortages resulting from the steel strike.

Volkswagenwerk, which has already told its work force that production cuts may be inevitable, said that the nature and extent of any slowdown will depend on the flow of components. The company says there is no immediate threat of a total shutdown. Daimler-Benz has advised its workers that production may be affected, with the commercial vehicle section likely to be hit first. Opel said it is still reviewing the situation.

9 Die in Korean Bus

SEOUL, Jan. 3 (Reuters) — Nine persons were killed last night when a bus left unattended by its driver rolled over a cliff on the South Korean coast, the police reported today.

Social Democrats Decry the Constitution

Portuguese Eye Prospects Of Reversing Revolution

By Louis B. Fleming

LISBON, Jan. 3 — The question being asked with increasing frequency along this capital's mosaic sidewalks is, can the Portuguese revolution be reversed?

"Have no doubts about it, we really had a revolution," a resident said, listing her friends of wealth and privilege who have gone to Brazil or been reduced to a comparatively modest life in Lisbon since the 1974 leftist military revolt.

"The principal manager of one of our steel plants, with 7,000 employees under him, earns \$600 a month after taxes," a government official commented. "Some have managed to stand still by running hard, such as a former leading model who now operates two restaurants and says that she is making money with one of them, Bella Bar Toque, a current Lisbon favorite."

Three men with a lumber supply business have been able to maintain their pre-revolutionary standard of living by working longer days and doing more of the manual labor themselves. "Naturally, things are worse," one of them said, describing how he had hired guards to protect an apartment from illegal occupation while it was being prepared for his son-in-law and daughter.

Even in the Alentejo district, where 75,000 persons have moved into new collectives as part of a land reform strongly supported by the Communists, there are persistent reports of disillusionment.

For all the changes, Portugal remains essentially a land of private enterprise, with 80 percent of the gross national product generated by the private sector. Thus the talk of reversing the revolution refers to only part of Portugal.

The controversy centers on three areas: • The constitution, which commits the country to socialism. It

was drafted in the fervor of the revolt that ended more than 40 years of dictatorship.

• The major enterprises that were nationalized, including steel, transport and part of the shipbuilding industry.

• Land reform, essentially the 500 collectives in the Alentejo district on 2.8 million acres seized in the revolution, much of it taken from the large holdings of absentee owners.

The Social Democrats, the No. 2 party in the Assembly elected for four years in 1976, are leading the fight for constitutional reform. They regard the socialist-oriented document as an obstacle in negotiation of terms for Portugal's entry into the Common Market.

The Social Democrats confidently predict that they will be the No.

1 party after the next elections. Only two and a half years ago, the Socialists became the leading party with 35 percent of the vote. "Since August, in seven local elections, we have scored a minimum of 30 percent, and we feel we should get 35 to 37 percent in the next national elections," said Angelo Correia, an influential Social Democrat in Parliament.

There is no way to change the nationalized sector of the economy without changing the constitution, for it includes provisions making nationalizations irreversible. But the government is not waiting for constitutional change to slow down the farm collectivization movement.

The last two governments — the 17-day government of Alfredo Nobre da Costa and the present

one of Carlos Mota Pinto — have been giving back land that was seized illegally, and have worked to return to legal owners the business enterprises seized illegally during the revolution.

"We favor expropriation of 1.7 million more acres," said Albano Nunes, a leading Communist Party official. He said that the party would not resist the return of illegally taken land, but he protested that this was being done in a way deliberately designed to sabotage the holdings of the collectives.

Reports from the contested areas indicate less and less resistance from those removed as the lands are returned.

Agriculture Slump

Two economic realities will accelerate a slowdown in both the agricultural and the industrial sectors. Firstly, farm production is going from bad to worse. "If Portugal were as productive as Greece it would be self-sufficient," a foreign analyst commented.

As it is, Portugal produces only half its food needs, and has had to import cheap North African wine to satisfy local needs so that the country could continue to export its premium wines and ease slightly the ominous deficit in the balance of payments.

Secondly, industrial firms, along with the farms, will face new competition when Portugal enters the Common Market and drops its protective trade barriers next year.

There is another new element that also could accelerate a shift to the right, and that is in the trade union movement. For the fourth time in two years, an effort is being made to organize a new confederation to contest the virtual monopoly enjoyed by the CGTP-Intersindical, the Communist-connected federation.

The Socialists, the Social Democrats and European trade unions — but not Americans, according to the leaders — are feeding substan-

tial funds into the new labor movement, the UGT.

"In our 221 affiliated unions we have 84.5 percent of all the union members in the nation," an official of the CGTP-Intersindical said, scoffing at the new "divisive" movement. The UGT disputes this, saying that it already has 700,000 affiliates.

The Communists won only 15 percent of the legislative elections of 1976. More important to an eventual reversal of the revolution will be the decision of Mario Soares and his Socialist Party.

There seems no doubt that the party is now demoralized. Mr. Soares was premier during the difficult first two years, during which he seemed to embrace the leftist constitution with enthusiasm. He was unable to shore up the sagging economic situation.

Nevertheless, he felt wronged when the popularly elected president, Antonio Ramalho Eanes, dismissed him last July and turned to an independent, Mr. Nobre da Costa. Mr. Soares led a fight to defeat Mr. Nobre da Costa's platform, killing the new government 17 days after it was set up. When the Mota Pinto government presented its program on Dec. 12, Mr. Soares led his Socialists in an abstention that allowed the new government to keep office.

Socialists have not done well in recent local elections. Should they edge rightward in response to those electoral signals, reversal of the revolution would be more likely.

© Los Angeles Times

Sicily Church Is Robbed

CATANIA, Sicily, Jan. 3 (AP) — Three masked and armed bandits broke into a local church during mass today and forced some worshippers to hand them cash, rings and watches after ordering the priest to continue the celebration and others to keep on singing to avoid suspicion outside.

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White Jews Are Accused of Complacency

Ethiopian Black Jews Reported Enslaved

TEL AVIV, Jan. 2 (NYT) — Relatives of the black Jews of Ethiopia have accused the white Jewish world of complacency while sect in Africa faces extinction. Officers of the Ethiopian Jews Association here said at a press conference that some of the 28,000 Jews in Ethiopia were killed or were enslaved and 7,000 fled from their villages to escape a similar fate.

The spokesman, representing 300 Ethiopian Jews living in Israel, said that they, in desperation, were breaking the silence that had been advised by officials who said discretion was in the interests of their cause.

The Jewish Agency for Israel, which organizes Jewish immigration, yesterday issued a statement contending that Ethiopian governments, even those that had main-

tained diplomatic relations with Israel, had objected to the Jews going to Israel. The statement said that the sect, known as Falashas, was recognized as fully Jewish and that the people were entitled to live

100,000 Idled By Steel Strike In W. Germany

DUESSELDORF, West Germany, Jan. 3 (AP) — About 20,000 steel workers walked off their jobs here today, idling a total of 100,000 — almost half the work force in the vital Ruhr industrial area. Bremen and Osnabrueck. The plants struck were Klockner Huette in Bremen, Krupp Huettewerke in Bochum and Thyssen-Edelstahlwerke in Krefeld.

The walkouts came despite mediation efforts by Friedhelm Fathmann, labor minister for the state of North-Rhine-Westphalia. His latest proposals have included a 4 percent raise in wages (workers average about \$1,240 monthly), extra days off for certain workers and additional vacation days for all 208,000 workers in the Northwest.

But IG Metall, the powerful workers' union, demands the introduction of a 35-hour work week. Employers have refused to accept union arguments that shorter shifts demand more labor, thus securing jobs. The strike, which began Nov. 28, is the first in the Ruhr steel industry in 50 years.

Automakers Affected

FRANKFURT, Jan. 3 (Reuters) — Most West German car manufacturers anticipate cuts in production levels as of mid-January because of parts shortages resulting from the steel strike.

Volkswagenwerk, which has already told its work force that production cuts may be inevitable, said that the nature and extent of any slowdown will depend on the flow of components. The company says there is no immediate threat of a total shutdown. Daimler-Benz has advised its workers that production may be affected, with the commercial vehicle section likely to be hit first. Opel said it is still reviewing the situation.

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Page 6
MerchandisingBargain Basement
Rings Up 'No Sale'

By Hebe Dorsey

NEW YORK (IHT) — Caviar, antiques, a cashmere bar, a roller disco shop, 300 brands of cheese and local celebrities dancing the night away — all that at Macy's? You have to be joking.

Yet, in what *Forbes* magazine several months ago called "the comeback story of the year," Macy's has become New York's latest success.

The man responsible for the turnaround is Edward Finkelstein, who became president of the Herald Square store in 1974. A soft-spoken, dedicated merchant — he has been with Macy's 14 years — Finkelstein had already turned the Macy's California store into a profit-maker.

Chandeliers and Marble

When the time came for him to take over that New York giant — 1 million square feet and 20 stories high, of which 10 are selling floors — the 52-year-old Harvard graduate applied pretty much the same methods he used in California.

In an interview last week, Finkelstein said the company spent \$15 million to change Macy's image. Gone are the bargain tables and gone too are the shabby, peeling linoleum floors. Instead, on the first floor, there are marble floors and six crystal chandeliers that look as if they came from Versailles (actually, they had been gathering dust in the cellar for years).

Except for the second floor,

which still needs redecorating, there are lush green plants, wall-to-wall carpeting, lavish decoration that includes bronze deer posing by mink-clad dummies, and a series of designers' rooms that prompted Stanley Marcus of Neiman Marcus to write Finkelstein that "this is one of the most outstanding store installations in the country."

Finkelstein explained that he got out of the bargain-tables approach because "they had outlived their usefulness. They were wonderful in the '30s, OK in the '40s and meaningless in the '50s. We had to leave them to the discount stores."

It was not easy to bring that big bulk of a store back to life, Finkelstein said. "We had to peel layers and layers of paper from those beautiful Art Deco marble columns. The escalators were covered with layers of black paint. It took two years to remove it and get back to the mahogany."

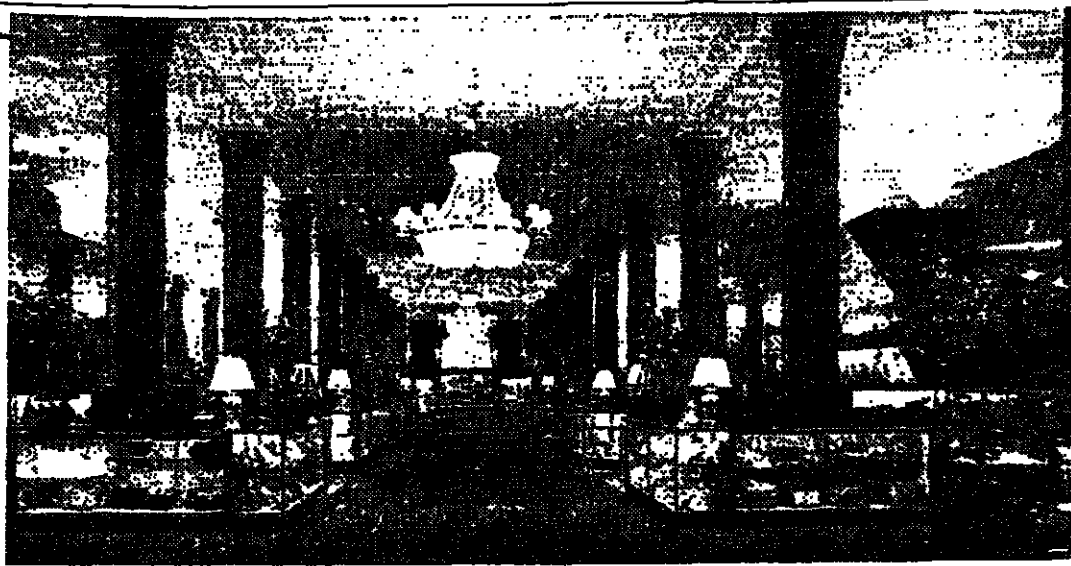
'Little Shops'

But Macy's revival went far beyond its decoration. The major move was to push soft lines at the expense of hard lines. The third floor has been turned over to fashion, with a series of "little shops" housing such glamorous names as Mary McFadden, Bill Blass and Gianni Versace.

"We added 50 fashion directors," Finkelstein said, "and tried hard to give the store a fashion image. We positioned ourselves to talk to the middle-to-upper-middle class. There was no broad-based store doing that kind of business."

His key weapons, he explained, were "there was a base of business customers, and we had a remarkable plant, physically speaking. Some thought it was too big. We put the size to advantage. With wide, firm aisles and appropriate layouts, we created a good ambience and still made people feel comfortable."

The changeover was done area by area. The first move was to turn the basement into a gourmet center. The Cellar — a favorite with



The new look at Macy's.

trend-conscious New Yorkers. The Cellar, with piles of fresh vegetables and fruit, a counter that includes seven varieties of salmon and four of caviar, an extensive liquor store, more than 300 brands of biscuits, freshly ground coffee and fresh pate flown directly from Perigord is impressive enough to have had a Frenchman last week take off his beret and declare that this is "as good as Fauchon, and cheaper."

In one corner, there was a waist-high stack of Chinese products, and

in another, food writers Craig Claiborne and Pierre Franey could be found in a testing kitchen making a couple of wad dishes to promote their latest cookbook.

Gingham Cloth

Nearby, a branch of P.J. Clarke has been installed, complete with red and white gingham cloth, brass sconces, old-fashioned pub signs and the best chili in town.

If all that sounds like showmanship, it has also proved sound business. "When I took over, we made \$165 million," Finkelstein said.

"This year, we'll make \$220 million."

Along with all that, Finkelstein also wants to bring the old Macy's traditions back. This year, Santa Land spread over 10,000 square feet, a magnificent Tyrolean village that included an eight-foot candy castle complete with turrets, a train in the courtyard, soldiers and animals.

The Thanksgiving parade is an institution and "I've reinstituted something that had not been done in years — fireworks for the Fourth of July," Finkelstein said.

Archaeology

Modern Egyptologists Sift Old Ground

By Christopher S. Wren

LUXOR, Egypt (NYT) — On a November day in 1922, the flicker of a candle disturbed the darkness of centuries, and British archaeologist Howard Carter assured his anxious patron, Lord Carnarvon, that he saw "wonderful things" within the gloomy chamber.

What Carter had found was the intact tomb of King Tutankhamen, the most prolific single discovery in Egyptian archaeology. Fifty-six years later, King Tutankhamen's treasures are being seen widely through the current traveling museum show, but the search for won-

derful things continues, and with far broader dimensions.

Archaeologists have looked beyond the environs of this Nile resort, formerly ancient Thebes, to less-conspicuous sites in Upper Egypt and to the lush Nile Delta. The emphasis is no longer on acquiring objects like those piled inside Tutankhamen's tomb, but on analyzing whatever the ground will yield.

Modern expeditions have tried computers, radar, acoustical gadgetry and other scientific innovations, though the best results are still obtained by the trained eye and educated mind. There has been a shift from discovery to emphasis on the preservation of fragile monuments from environmental and human erosion.

Dr. Labib Habachi, one of Egypt's more respected archaeologists, said that "nowadays, I believe that most of the places have been dug, but not exhausted. We have to hurry up, especially with those sites that are threatened by population."

Urban Encroachment

Habachi, a former chief inspector of the Egyptian Department of Antiquities, referred to several sites in the delta that are threatened by urban encroachment as well as ag-

ricultural cultivation and a rising water table.

The delta is generally considered the most promising area for future excavations. It includes Mendes, an ancient town dating back 3,000 years, which has become the subject of study by the New York University Institute of Fine Arts.

"Now 80 to 90 percent of our knowledge is in Upper Egypt," said James Allen, assistant director of the American Research Center in Egypt. "It is like writing about the United States and knowing only about sites east of the Mississippi. If we knew more about the delta, we'd see a more cosmopolitan influence, because the delta was the major area of contact between Egypt and the outside world."

Egyptologists were relatively late in taking advantage of modern technology, partly because they relied heavily on literary devices such as hieroglyphics, but also because Egypt had no lack of antiquities. Habachi reported that today "work is more exhaustive and extensive than before," with archaeologists now left enough to reconstruct a piece of pottery from a single shard.

For example, a decade ago, a computer began matching 35,000 stones of a temple built by Akhe-

na. Tutankhamen's father-in-law, that enemies dismantled after his death in the 14th century B.C. The temple has not yet been rebuilt, but Donald Redford, a Canadian archaeologist involved in the project, said that "it could be done."

Hidden Chambers

Gamma rays have been used since to hunt for hidden chambers in the pyramids of Giza and electromagnetic signals have probed for undiscovered tombs in the arid hills of the Theban necropolis west of Luxor. But nothing was found.

Redford explained that the computer used to sort out the pieces of Akhenaten's temple was helpful initially, but had to be replaced "by human eye after a while."

Chicago House, a rambling villa in Luxor that contains the epigraphic center of the University of Chicago's Oriental Institute, has applied some remarkable ingenuity using nothing more sophisticated than a camera. For more than 50 years, Chicago House has concentrated on what its director, Lanny Bell, calls "salvage epigraphy" — documenting the evidence on pharaonic monuments before time and the environment erase them.

Its latest triumph was the literary reconstruction of a vandalized tomb wall belonging to a high steward of Amenhotep III. The hieroglyphic inscription, covering about 12 square feet, had been hacked almost completely away 3,300 years ago on orders of Akhenaten after he had broken with the established religion.

The Chicago House researchers photographed the wall, then bleached the photograph with iodine to bring out the contrast and superimposed grids over the discernible hieroglyphics. They filled in recognizable traces of other hieroglyphics and bridged missing ones by consulting patterns of similar text. They recovered nearly 70 percent of what turned out to be two hymns running in cross-word-puzzle fashion horizontally and vertically. The task took three years.

Inscriptions Disappearing

Other work has turned to saving — or at least recording — reliefs and paintings that are endangered by exposure to fresh air, light and water. Seepage has already damaged paintings in Queen Nefertiti's tomb and the murals of Set I in the Karnak temple. Bell has estimated that inscriptions will eventually disappear from the Luxor temple, which Chicago House is now documenting. In some cases, Bell said, "you can watch the fabric of these monuments decompose in front of you."

Knowledge of ancient Egyptian life has been extrapolated from such art as well as tomb relics and retrieved papyri. But, as Bell acknowledged, "in their scenes, the Egyptians are telling us what they want us to know. There's a lot they don't give us the slightest clue about."

Clues to the past also were obliterated as a result of the old habit of digging up relics and rushing them to museums. The practice among archaeologists now is to slice down through the layers of soil as if delicately cutting a cake and then to examine the cross section.

Jean Jacquet, a Swiss archaeological architect, explained that "in stratigraphy, objects are left in their place. The important thing is to keep everything together. Once a piece is dated, we can date the whole stratum."

The new breed of archaeologist does not seem particularly eager to uncover another virgin tomb like Tutankhamen's because the numerous problems would upset his research. "Sudden and unexpected discoveries throw a curve at you," Redford said.

Yet the possibility of another major find has not been discounted. Habachi said that the tomb of the priest-king Herihor, who reigned in the 11th century B.C., was among those yet to be discovered. "There are always opportunities for people finding perhaps not a tomb as rich as Tutankhamen's, but still something that can repay their efforts," Habachi said.

Waverley Root

Prying Into the Life of Clams

PARIS — What animal is the fastest burrower in the world? The ant lion, which melts under the sand almost before you are sure you have seen it? The mole, which digs at the rate of 2½ inches a minute?

It may be that supposedly immobile animal, the clam. The Pacific razor clam can dig itself down at a speed of nine inches a minute. Euell Gibbons, the late wild-foods expert, once timed a razor clam, laying it down on the beach, where it flipped itself upright and disappeared in seven seconds.

A highly esteemed French encyclopedist explains this phenomenon by saying that the clam digs itself deeper into the mud by expelling a jet of water. I am incapable of computing the amount of thrust necessary to accomplish this feat, but I should think that it would suffice, if the clam made the mistake of pointing the wrong way, to put it into orbit.

It is true that some clams do throw up a jet of water when they descend into mud or sand, but it is simply because it is squeezed out of their siphons by the pressure of the earth into which they burrow. The Pacific razor clam, however, does not spew water out; it pumps it in.



Clambaker

specifically into its foot, which is nearly as long as the clam itself.

The foot swells, compressing the sand around it and opening room for retreat. The bottom of the foot then spreads out into a sort of flat anchor, shaped like an ax blade, which accounts for the scientific name given to clams thus equipped — *Pelecypoda*, from the Greek *pelekys*, ax, and *pod*, foot. The clam then pulls itself down around its foot, protrudes it again, and repeats the process until it considers itself deep enough.

Other Gifts

The foot has other gifts. In the water, it serves as a spring, coiling and uncoiling, enabling the clam to move in a series of little leaps like a living pogo stick. The foot also serves as the major part of the particularly delicious food offered by this clam, though all of the clam can be eaten, including the very dark green or black meat near the hinge, which some squeamish eaters pass up because it looks unpalatable. It is actually the best of all, the liver, packed with glycogen — in other words, carbohydrates stored in animal tissue. It is glycogen that gives the sweet flavor to clams.

Razor clams are so called from their shape, because they look like the old-fashioned straight razors, in the closed position, with which everyone was familiar in my youth. Nowadays, a straight razor comes under the heading of antiques, and it is probable that the next generation of dictionaries will ascribe the name to another peculiarity of this clam — the sharp cutting edges of the shell on the side where it opens.

It is therefore useful to know that this end is always turned towards the sea, so that you can keep your hands from being cut to ribbons, if you dig them yourself, by approaching them from the rear. You know where they are, because as you walk across the beach and the frightened clam burrows, it leaves a depression marking its place, so you thrust your hand into the sand or mud from the landward side of the depression.

You will have to dig razor clams yourself on the Atlantic coast of the United States, for they are not sold commercially. The Atlantic razor clam cannot close its shell completely; its liquid runs off as soon as it is taken, and the clam dies. You should eat them the same day you gather them.

On the Pacific coast, razor clams are available canned or frozen, but under the name of ocean clams — appropriately enough, since they are found only on sandy beaches where deep-sea surf rolls over them. The clams also require a flat beach capable of holding a permanent stratum of water not far below the surface (for its pumping operation) and also one where the sand is unmixed with stones or gravel, which would impede its burrowing (it can move sideways as well as down) and risk breaking its fragile shell.

Makeup

Cosmetics for Blacks
Introduced in Geneva

By Norma Snow

PARIS (IHT) — Makeup, at best, is a tenuous art, dependent on numerous factors for its success or failure. Everyone may not be aware, however, to what extent that particular art, more than any other, is a slave to its tools.

Those jars, pots, compacts and bottles filled with variegated liquids, creams, lipsticks and powders designed to transform the plainest woman into a femme fatale or a skillfully made-up natural beauty are to be found in every grand magasin in Paris, in the side streets and alleyways of every *arrondissement*, not to mention virtually every town, large or small, throughout Europe — unless your skin happens to be a darker shade of pale, brown or black.

In Paris, there has been one attempt to bring out a line of makeup for dark skins. Josephine, but one of the major department stores, Printemps, has dropped the line due to "lack of demand." Galeries Lafayette still carries it in spite of low

sales. Many women who have tried this brand have the same complaint — the colors turn gray on skin that is anything darker than light tan.

While most dark-skinned women seen in Paris do not seem to wear any makeup, it is not that they do without it because their skin tones make it unnecessary, a popular misconception. Rather, the problem is the unavailability of makeup that has been formulated and color-blended with dark skins in mind.

If this seems unbelievable, try going to some of the top cosmetic counters with a brown-skinned friend, and watch the disappointment that turns to chagrin when, after several tries, each salesperson says the same thing: "I'm afraid we don't have anything dark enough."

Pacific razor clams are more plentiful in Alaska, British Columbia, Washington and Oregon than in California, where beaches tend to slope too steeply.

Equivalent Terms

"Razor clam," and its equivalent in various languages, is not a scientific description. The many mollusks so called are named for their shape, and are not necessarily members of the same genus. The Pacific razor clams mostly belong to *Siliqua*. The biggest is *Siliqua patula*, which occupies the coast from the Aleutian Islands to Monterey, Calif. It is sometimes called the giant razor, but it is not actually much larger than *Siliqua lucida*, which continues the California coast from Monterey to Pismo Beach.

There is also an Atlantic species found from Nova Scotia to North Carolina. It has a remarkably fine flavor, but is not much eaten, for it is so small (1¼ to 2 inches long) that it is a discouraging task to gather enough of them to make a respectable helping. If you do persevere, better eat them raw; all razor clams are good either raw or cooked, but the smallest ones are too sweet and tender to be defied by cooking.

What is usually called the razor clam on the Atlantic coast is not this one, but *Ensis directus*, longer and thinner than the Pacific clam, and with square ends instead of the Pacific clam's rounded ones. This has a wider range than any other Atlantic clam except the quahog, being found in the intertidal zone all the way from Labrador to the Gulf Coast of Florida. Its slightly flattened and slightly curved cylinders (the Pacific clams are almost straight) are usually six or seven inches long and an inch in diameter, though they can reach 10 inches on occasion.

On the Atlantic side, clams belonging to still another genus are called "razor clams," but jackknife clams on the Pacific (the shape is that of a closed jackknife). *Tegulus californicus*, as its name suggests, probably originated on the West Coast, but it is now also found on the East; straight rather than curved, and with rounded ends, it is particularly abundant around San Diego, but exists all along the coast from Santa Barbara to Baja California.

While the Pacific razor clam itself prefers sandy, the jackknife clam is less choosy, appearing in either sand or mud in the intertidal zone; but it is more particular about its defense, preparing its retreat in advance instead of depending upon improvisation. It digs a shaft underneath itself, about 18 inches deep, which is 4½ times its own length, and lines it with a slippery secretion, making for a swift descent. Its siphon is about as long as the clam itself, so it lies some four inches beneath the surface. If it senses ominous movements above, it drops down into its pit, from which it can dig itself in deeper if necessary. The flavor of *Tegulus* is not quite as fine as that of *Siliqua* or *Ensis*.

The clams the French call knives (*couteaux*) or knife handles (*manches-de-couteaux*), belong to the Solenidae, and so does the tubular, six-inch-long, fast-digging *Adriatic canalicchio*, plentiful in the region of Ravenna, where it is known locally as *cannello*. It is not eaten raw there, but is used either in soup, or is coated with a batter made by crumbling the soft part of bread into olive oil, salted and peppered, and grilled.

— Waverley Root

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Iran Strife Is Closing U.S.-Operated Plants

By Peter T. Kilborn

NEW YORK, Jan. 3 (NYT) — The turmoil in Iran has so disrupted the country's economic base that most U.S. companies with factories there are being forced to halt production, at least temporarily.

Du Pont said yesterday that it had stopped work at a big synthetic fiber plant in Isfahan, which employs 2,000, because of a shortage of fuel for its power supply. General Tire and Rubber has announced that it would close a tire factory

Friday, laying off 1,000, because of a raw-material shortage. General Motors, Johnson & Johnson and American Cyanamid are among others that have closed.

Company officials said they were waiting to see what happened as a result of Shah Mohammad Reza Pahlavi's appointment of an opposition leader to form a government. "I know of no one who has said, 'We're leaving, period,' and shutting up and walking away from it," said John Whittlesey, executive director of the Iran-American Chamber of Commerce in New York. "It's still a wait-and-see attitude."

But depending on the attitudes of a new government, the plants may be forced out of Iran permanently. All are joint ventures with wealthy Iranians and companies operating there are apprehensive that a new government might annul such arrangements.

About 20 U.S. companies have invested in factories in Iran, compared with 300 or 400 that have set up sales offices there.

Dollar Rises As Traders Take Profits

LONDON, Jan. 3 (AP-DJ) — The dollar rose sharply today as traders scrambled to cover short positions after rumors circulated that U.S. authorities were planning further measures to keep the dollar stable.

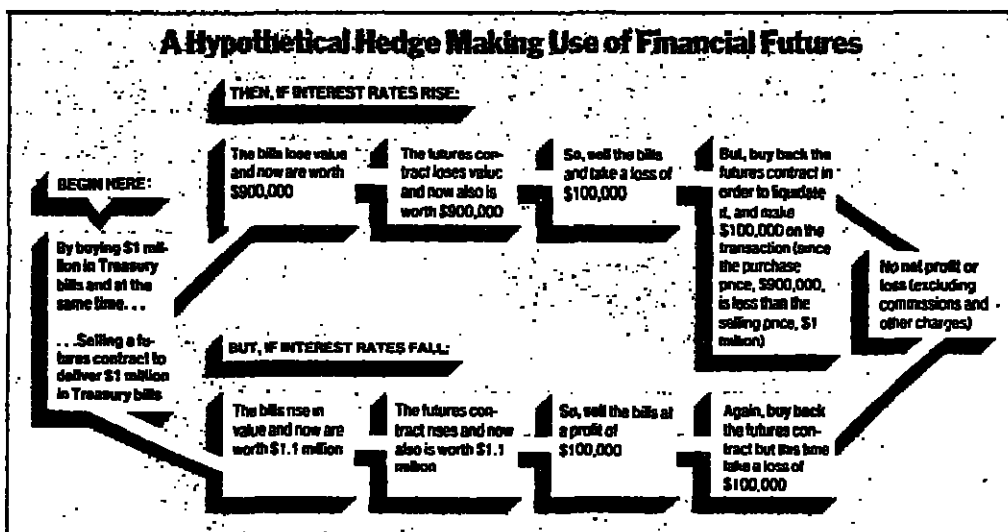
The dollar finished with a 1.7 percent gain against the Deutsche mark, a 2.4 percent increase against the Swiss franc and a 1.1 percent advance against the yen. As far as could be determined, central-bank intervention in support of the dollar was not particularly heavy.

Market operators evidently had built up large short positions by borrowing dollars and converting them to other currencies. Hence, there was a rush to take profits on the dollar's recent decline by repurchasing dollars even though there was no confirmation that U.S. authorities are planning new measures.

Also acting as an inducement to purchases of dollars was a sharp increase in short-dated Eurodollar interest rates following yesterday's abrupt increase in the cost of U.S. federal funds, the reserves that U.S. banks lend to each other.

After swinging as low as 1.8210 DM and as high as 1.8560 DM, the dollar ended at 1.8480 DM, up from 1.8175 DM late yesterday. In trading for Swiss francs, the dollar jumped 3.8 cents to 1.6470. The dollar also advanced to 4.2350 French francs from 4.16 and to 196.55 yen from 194.35.

Sterling declined to \$2.0250 from \$2.0363, which represented "a smaller decline than posted by other major currencies."



Financial Futures Reducing Uncertainty

By Karen W. Arenson

NEW YORK, Jan. 3 (NYT) — Tapping the flourishing new markets in financial futures, securities firms, as well as banks and corporate treasurers, are rapidly learning to shield themselves from gyrating interest rates by buying and selling futures contracts in Treasury bills and other financial instruments.

Only three years after the introduction of commodity-futures markets in Treasury bills and mortgage securities, financial experts are discovering that these hot, new "commodity" markets are much more than a speculator's paradise. As interest rates soar, financial people have come to appreciate that, by shifting risks, these unorthodox futures markets serve an economic function so basic that they could change the way business is done in nearly every segment of the capital markets, from brokerage houses and investors to corporations, and even the U.S. government.

"The less certain the world is, the more important futures will be," Donald Howard, senior vice president and treasurer at Citicorp, predicts. Futures markets exist in 90-day

commercial paper and Treasury bonds as well as in three-month and one-year Treasury bills and in mortgage securities. These burgeoning markets are designed to allow business and investors to hedge themselves against changes in short-term interest rates, depending on which futures market they use.

Apparently, this is only the beginning. The Commodity Futures Trading Commission, which regulates all futures trading, has received applications to add futures markets in 30-day commercial paper, Treasury notes, and U.S. and Eurodollar certificates of deposit, and still more ideas seem certain.

The newer futures markets work in much the same way as the original futures markets in agricultural commodities, trading down the terms of transactions to be carried out at a later date.

The futures contract, with its fixed terms, provides a way of reducing one's risks as actual prices or interest rates move up and down.

For example, a corporate treasurer intends to hold next year's cash receipts until the following year to make a major capital investment. Meanwhile, if he expects interest rates to peak at midyear and then fall off, he can use the financial futures market to assure himself a top rate on the cash he is putting aside.

Last week, for instance, he could have bought a futures contract for \$1 million in three-month Treasury bills yielding 9.7 percent, to be delivered next September, at the point when he expects to have \$1 million in cash to invest. If by next September, bill rates have fallen to 6 percent or 7 percent, the treasurer would have locked in the higher 9.7 percent in the futures market.

Huge Underlying Market
If, however, the treasurer is wrong and interest rates are still rising next September, he would of course have missed an opportunity for a higher yield. But the point of using the market is reducing uncertainty: he can rely on getting a certain return, without having to guess about the course of the economy.

And the price of this insurance — the cost of buying the \$1 million contract — would simply be a \$60 commission charge (which covers both the purchase and later sale of the contract) and a "margin," or down payment, of \$800. In addition, if, in the interim, interest rates rose and the value of the contract declined, the treasurer would have to put up more margin money.

But if financial futures work like any others, two factors distinguish them from the rest. One is the size of the underlying markets — there is no less than \$492 billion in outstanding marketable Treasury debt, compared with average crops of some \$15 billion in corn or about \$13 billion in soybeans. Anyone who trades or invests in Treasury debt is a potential customer for the futures markets.

Widespread Impact
Second, and even more striking, interest rates affect almost everyone — a greater or lesser extent, the cost of money has an impact on every business.

So powerful is the possible impact of financial futures that the Treasury, which originally paid scant attention to these markets, is expressing concern that futures markets in Treasury securities may curb its flexibility and raise its costs in financing the national debt. Others contend, however, that the markets may help the Treasury in its debt financing.

Whatever the impact, trading in these markets has soared beyond anyone's expectations. Trading volume in futures contracts on Government National Mortgage Association certificates (Ginnie Maes)

— each contract is valued at about \$100,000 — on the Chicago Board of Trade has risen to 100,000 contracts a month since they were introduced in October, 1975. Volume in Treasury-bill futures trading at the Chicago Mercantile Exchange has been running at nearly 60,000 contracts a month, with each contract worth \$1 million. That market, the second interest-rate future to be established, began in January, 1976.

Already, the trading in futures amounts to more than a small fraction of the volume in the underlying markets for financial securities themselves. According to the Treasury, trading volume of three-month Treasury-bill futures contracts last December equaled about 30 percent of trading activity in the cash market for three-month bills.

Citibank Sues to Recover 'Shanghai Record Books'

By Larry Kramer

WASHINGTON, Jan. 3 (WP) — An unusual trial involving Citibank, one of its former Far East employees and a mysterious set of ledger books detailing the bank's business with China is to open today in U.S. court in New York City.

The former Citibank employee, Robert Jones, triggered the legal proceedings when he filed suit against the bank for wrongful dismissal in 1976.

Mr. Jones, according to court records, had been a management trainee in international banking from June, 1975, to July, 1976. But on May 10, 1976, he was notified by the bank that he was going to be let go.

But sometime after his notice of dismissal was presented, Mr. Jones "removed a number of materials from defendant Citibank's files, including certain original record books of account known to plaintiff as 'Shanghai Record Books' Nos. 1, 2, and 3," the bank's attorneys said in their filings.

According to the bank's lawyers, Mr. Jones admitted taking the documents in a deposition ordered sealed by the court.

The bank filing says that the bank's Shanghai records pertain "to its business and/or commercial relations with the People's Republic of China and the Chinese people."

Besides the Shanghai records, the bank alleged, Mr. Jones also took "various confidential memoranda and opinion letters (or copies thereof) written by other employees or agents of defendant Citibank, including memoranda sometimes referred to as: (a) the Bradley memo; (b) the Elkus memo; (c) the Wilson memo; and (d) the Shearman and Sterling memo."

Citibank contends the records belong to the bank, and has filed a countersuit in an attempt to have them recovered. On at least one occasion, U.S. District Court Judge Leonard Sand has ordered Mr. Jones to turn over the documents; he has not done so.

Citibank officials have not commented on the case, and were not able to identify any of the names associated with the memos. Shearman and Sterling are the bank's law firm.

Attorney John Lewis, representing Citibank, refused to comment on the case.

The bank, in its filings, calls the Shanghai books "unique chattels in that they are original bank records." Citibank also contends that Mr. Jones violated the terms of his employment by keeping the records.

Although it is unclear what the Shanghai records hold, bank sources say the records could reflect many facets of the bank's operations that could embarrass some depositors or bank officials.

Growth in U.S. Factory Orders Slows

NYSE Gains Broadly on Higher Volume

NEW YORK, Jan. 3 (Reuters) — Strength in secondary issues provided the New York Stock Exchange with a broad advance on moderate turnover.

The Dow Jones industrial average rose 5.97 to 817.39 while advancing issues led declines 1,352 to 265. Volume rose to 29.18 million shares from 18.34 million yesterday.

The market was paying more attention to itself than to outside developments, analysts said. One analyst said traders who waited in vain for a sharp selloff in December began buying late yesterday and today on the chance the market might continue to rise. He and other analysts said the key will be whether the market can continue to attract buyers on higher volume.

During late trading, the Commerce Department reported new orders received by U.S. manufacturers rose \$358 million, or 0.3 percent, to seasonally adjusted \$137.52 billion. The increase compared with a 4-percent rise for October and left orders 17.5 percent higher than November, 1977.

New orders for durable goods, which had risen 6 percent in October, fell 0.7 percent in November and orders for nondurable goods rose 1.5 percent compared with 1.7 percent in October.

Columbia Pictures Industries rose 1 1/4 to 24 1/4 in its first trading since Friday. General Cinema, which rose 1/2 to 33 1/2, wants to buy 20 percent of Columbia's shares at a price "in excess of \$24 a share," Metro-Goldwyn-Mayer, which is offering \$24 a share for a similar

stake, climbed two to 44 1/4, ex-dividend after reporting a big jump in fiscal first quarter profits and forecast "another very favorable year."

Robt Industries advanced 1 1/2 to 17 1/2. It received orders worth \$25.8 million from McDonnell Douglas. Tektronix, which won a \$4.5-million settlement from the U.S. in a patent infringement suit, added 1 1/2 to 49 1/2. Tyco Laboratories gained 1 1/2 to 18 1/2 after reporting sharply higher fiscal-second-quarter profits.

Airlines moved higher on strong December traffic figures. Dictaphone, however, fell 1 1/4 to 25 1/4 after Pitney-Bowes reported it received 2.95 million Dictaphone shares in its bid for 2 million at \$28 each. Pitney-Bowes rose 1/4 to 23 1/4. American Stock Exchange prices were broadly higher on increased volume with the market-value index up 2.16 to 154.19 and the average price per share gaining 17 cents.

U.S. Mutual Funds' Gains Top Overall Market Rise

By Robert Metz

NEW YORK, Jan. 3 (NYT) — Preliminary results for the nation's mutual funds last year clearly show that those funds that emphasize market considerations, as opposed to fundamental company analysis, did the best last year.

These so-called capital-appreciation funds, which tend to concentrate holdings in lesser known, rapidly growing secondary shares, showed an average gain of 13.2 percent, according to Lipper Analytical Distributors Inc., which follows 54 such funds with \$1.4 billion under management.

The average earnings growth of the companies held by the capital-appreciation group was about 37 percent for the 12 months ended September.

The main distinctions of the capital-appreciation funds as Lipper follows them are a rapid rate of portfolio turnover and the willingness of these funds to buy on margin, to sell short and to buy options. The Lipper organization monitors 480 mutual funds with total assets of \$47.9 billion. Additionally, the firm also follows specialty investment companies, including 51 money-market funds with about \$10 billion under management and 40 or so municipal bond funds with total assets of about \$3 billion.

The average gain for the main body of funds — those investing primarily in stocks and/or corporate bonds — was 8.6 percent as of Dec. 28 with just one trading day remaining for the year. Of the 480 funds in this category, 469 were in business at the beginning of the year, and thus the rest are not included in the average.

By contrast, the Dow Jones industrial average was up 2.7 percent for the year at day's end, Dec. 28 and Standard & Poor's 500 stock index was up 6.7 percent for the same period. The figures for the funds and for the averages reflect the reinvestment of all distributions. The results for the averages were prepared by Computer Directions Advisors Inc.

Money-Market Growth
The money-market funds were the fastest-growing group by far. Their assets jumped to the present \$10 billion from \$4 billion at the beginning of the year, reflecting the rocketing of interest rates generally to near-record levels, as well as the volatility of the stock market. After the market slumped in October, the money-market funds continued their rapid growth and picked up perhaps \$1 billion in the last two months of the year.

The average yield for these funds through November was 8.4 percent.

Metz funds invest primarily in such money-market instruments as certificates of deposit, bankers' acceptances, commercial paper and U.S. Treasury bills.

The net asset value of municipal-bond funds actually declined as interest rates rose in the 12 months ended Nov. 30, by 7.6 percent. Thus, on a total return basis, the average fund shareholder lost 2.6 percent adjusted for the income he was due in the form of dividends. The figures, again, assume that he reinvested the income.

The group that performed least well were the income funds, but even they gained 2.3 percent.

Next poorest were the option-income funds, another new group. The Lipper organization follows 10 of these funds with assets of \$443 million. They are up 2.8 on the average — indicating that they lost some ground on their portfolios but made it up on the dividends and premiums received. They were, of course, behind the S&P 500 stock index. If the S&P were a fund, it would have ranked 239th in the Lipper list. The Dow would have ranked 336.

March Disclosure For Wage-Price Violators Is Set

WASHINGTON, Jan. 3 (JHT) — The administration's inflation fighters will begin to make public at the end of March the names of companies that fail to comply with President Carter's wage-price guidelines. Barry Bosworth, director of the Council on Wage and Price Stability, said today.

Mr. Bosworth also revealed that the number of firms that will have to supply data to the council is between 1,000 and 1,200. It was believed that the council was limiting its monitoring to the 400 to 500 largest companies with annual sales of at least \$500 million.

But in procedures to be published tomorrow in the Federal Register, the council requested some smaller firms with sales of at least \$250 million a year to supply it, by Feb. 15, with company organizational data that will be used to determine how that company plans to comply with the program. The procedures also limit the number of companies that can request hardship or inequity exemptions from the program.

Mr. Bosworth said that regulations for banks' compliance are expected next week.

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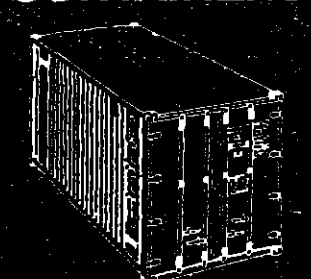
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Surplus Widens In W. Germany

FRANKFURT, Jan. 3 (AP-DJ) — West Germany's current-account surplus rose slightly in November to 3.824 billion Deutsche marks from 3.447 billion DM the previous month and was up from 1.664 billion DM a year earlier, according to preliminary figures, the Bundesbank said today.

The nation posted an overall balance-of-payments surplus of 2.695 billion DM in the month, down from 8.320 billion DM in October but up from 2.382 billion DM in November, 1977.

Britain Reserves Rise

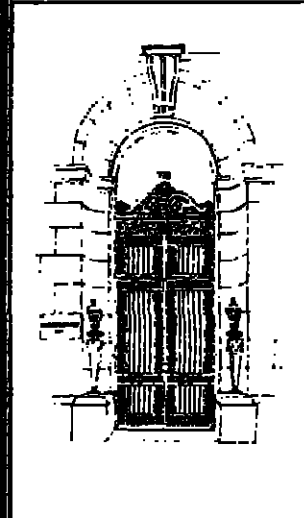
LONDON, Jan. 3 (AP-DJ) — Britain's official reserves rose \$25 million in December from the previous month to \$15.694 billion, the Treasury said today. The underlying increase totaled \$241 million in December, indicating a relatively substantial amount of intervention by British authorities to support the dollar during the month.

Paris Bourse Volume Up

PARIS, Jan. 3 (AP-DJ) — Turnover on the Paris stock exchange increased 77 percent last year from 1977 to 85.2 billion francs (about \$20.5 billion) from 48.1 billion francs, provisional figures show. The market value of listed shares increased 45 percent.

W. German Stocks Up

FRANKFURT, Jan. 3 (AP-DJ) — Turnover on West Germany's securities markets reached a record 40.3 billion Deutsche marks last year, 15.7 percent more than the 34.9 billion DM in 1977, the Exchange Board said today. Share turnover rose 33.6 percent to 15.8 billion DM while turnover of fixed-interest securities gained 6.9 percent to 24.6 billion DM. The official index of Frankfurt-listed West German stocks rose 6.8 percent last year from 1977, it said.



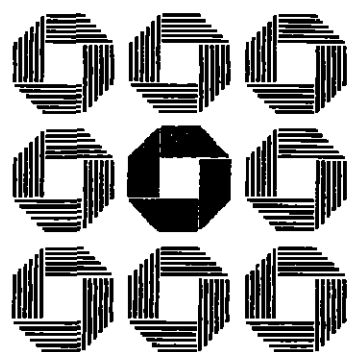
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The Chase Manhattan Bank, N.A.

12 Month Close				Ch'p's				12 Month Close				Ch'p's												
Low High Div. in 5 yd. P/E S&P High Low Quot. Close				Low High Div. in 5 yd. P/E S&P High Low Quot. Close				Low High Div. in 5 yd. P/E S&P High Low Quot. Close				Low High Div. in 5 yd. P/E S&P High Low Quot. Close												
9	3%	Christin	40.0	6.8	5	5%	55	45	55	+	1	28%	20%	FMC	14.0	5.8	0	15%	24%	23%	26	24	+	1
24%	14%	Chlorine	1.10	6.5	5	37%	45	45	45	+	1	37%	31%	FMC	1.225	7.0	0	15%	24%	23%	26	24	+	1
13%	13%	Chlorine	1.10	6.5	5	37%	45	45	45	+	1	37%	31%	FMC	1.225	7.0	0	15%	24%	23%	26	24	+	1
13%	13%	Chlorine	1.10	6.5	5	37%	45	45	45	+	1	37%	31%	FMC	1.225	7.0	0	15%	24%	23%	26	24	+	1
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MAPCO: 15th DIVIDEND INCREASE IN 13 YEARS

MAPCO announces yet another dividend increase for the third quarter of 1978. MAPCO dividends have risen steadily from an annualized figure of 10¢ back in 1965 to the present \$1.30. "This latest increase, the 15th since 1965," says Robert E. Thomas, Chairman of the Board, "demonstrates once again our confidence in the continued growth in MAPCO's operations, earnings and cash flow."

Interested in MAPCO's "continued growth"? Write for our latest report.



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